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CONTENTS

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Transition Period in U.S. Politics [S.M. Rogov; pp 3-13]	1
Washington and African Horn Countries [N.N. Tarasov; pp 33-40]	8
Post-Summit Reaction [V.I. Bogachev; pp 41-46]	13
American Opinion of USSR Economic Reform [M.V. Yershov, S.S. Stankovskiy; pp 46-52]	16
Canadian, Soviet Views of Joint Enterprises [L. Sjoman, C. Yoder et al; pp 53-62]	20
Review of U.S. Book on Nuclear Strategy [L.S. Semeyko; pp 91-96]	27
U.S. Personnel Policy in S&T Centers [I.G. Ilyin; pp 118-122]	30
Chronicle of Soviet-American Relations (September-December 1987) [pp 123-127]	33
Articles Not Translated from SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA No 3, March 1988	38
Publication Data	38

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No 3, March 1988

Transition Period in U.S. Politics

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[Article by Sergey Mikhaylovich Rogov, doctor of historical sciences and leading researcher at the Institute of U.S. and Canadian Studies, USSR Academy of Sciences. From 1984 to 1987 he represented the institute in the USSR embassy in the United States. This article is an account of the impressions the author gained from his stay in the United States.]

[Text] The political cycle which began in the second half of the 1970s and was marked by the predominance of rightwing conservative forces is coming to an end in the United States. Although the current administration will remain in power for almost a year, the conservative wave has already peaked and is rapidly subsiding. The regrouping of political forces has begun in the United States and the main domestic and foreign policy issues are the subjects of heated debates. New problems which cannot be solved with traditional liberal and conservative methods are becoming the primary concern.

In my opinion, the future of Soviet-American relations will depend largely on the direction U.S. political events take in the future and on the existence of a basis for changing attitudes toward the Soviet Union in American public opinion and the existence of reasons to anticipate the acceptance of the new way of thinking by moderate segments of the American political elite.

The Twilight of the Conservative Era

The formation of the current administration in 1981 was the strongest attempt of the entire postwar period by American conservatives to radically change the U.S. economic and political behavior that had been traditional since Franklin Roosevelt's time. The program of the conservative ideologists called for the radical reduction of government's role in economic regulation and social welfare and appealed for the resolute "rolling back" of communism in foreign policy. Reaganism reached its peak in 1983 and 1984, and this was followed by a gradual shift toward the center in American politics. Reagan's great personal popularity concealed this tendency for a while, but the midterm elections in 1986 proved that conservative groups had lost the initiative. "Irangate" accelerated the process considerably by forcing extreme rightwing groups in the administration itself and outside it to take a defensive position.

It seems to me that the results of the current administration's 7 years in office have been inauspicious on the whole for conservatives. They have had to acknowledge

the lack of correspondence between their declared intentions and actual results. It is true that the "fat" was trimmed from social spending, but the system of government-financed social welfare was not dismantled. Taxes were lowered in the interest of big capital, but only at the cost of a dramatic increase in the federal budget deficit. With the exception of the "victory" over tiny Grenada, the "Reagan doctrine" did not overthrow any of the progressive regimes that took shape in the 1970s in Afghanistan, Nicaragua, Cambodia, Angola, Ethiopia, and several other Third World countries. New costly military programs were set in motion, but the United States was unable to gain supremacy over the Soviet Union. Furthermore, the administration, which originally had not concealed its intention to bury the very idea of arms control, had to resume talks with the USSR and even agree to eliminate two classes of nuclear weapons. Therefore, once again the hopes of American reactionary forces were unjustified.

Reaganism left its imprint on social life in the country, but polls indicate a perceptible decline in the support for conservative views on the majority of domestic and foreign policy issues in comparison with the late 1970s and early 1980s. The overwhelming majority of Americans are in favor of cuts in military spending, do not want American troops to be sent to Nicaragua, oppose cuts in government expenditures on social and public needs and even favor an increase in this spending. It is true that the prospect of higher income taxes is still failing to arouse enthusiasm, but there is a growing realization that a price will have to be paid, and a fairly high price, for the maintenance of even the present standard of living. Attempts to appeal to "moral values" (the ban on abortions, the institution of prayer in the schools, etc.) are less and less likely to evoke a positive response.

All of this is intensifying the crisis within the conservative coalition, in which there are some disagreements over the Reagan "legacy." Ultra-rightwing forces, including J. Kemp and P. Robertson, want to continue the "Reagan revolution" and are even beginning to criticize their idol for his inconsistency in carrying out his own program. More moderate groups in the conservative camp have pointed out the need to take new tendencies in the country into account and to concentrate on the preservation of Reaganism's accomplishments. Describing the state of affairs after the summit meeting in Washington, Secretary General G. Hall of the Communist Party, USA, said that "the conservative coalition which put Reagan in office has fallen apart. The ultra-rightwing groups are bordering on hysteria and the conservatives are making a greater effort to dissociate themselves from these groups." The question of Reagan's successor is causing an even greater rift in the Republican Party now that the primary elections have started. Not one of the Republican candidates has demonstrated Reagan's ability to unite the pragmatists and the "ideologists."

At the same time, liberalism has been unable to emerge from the impasse it reached at the end of the last decade. The faith in "big government" as a means of solving socioeconomic problems was undermined and is still weak. The refusal of such liberals as E. Kennedy, M. Cuomo, and J. Biden to run for the presidency is also indicative. This creates the impression that the liberals still have not recovered from the defeats they suffered in 1980 and 1984 and are afraid of coming out into the open. Apparently, they are not sure of their ability to solve the problems they might inherit from Reaganism.

Another significant feature of American politics today is the serious "lack of leadership." The current President is probably the last member of the group of officials who dominated the political scene in the postwar period. With the exception of J. Carter, all of the American presidents and top government officials of recent decades began their political careers immediately after World War II, in an atmosphere of rabid anticommunism and unlimited faith in the omnipotence of the United States.

The members of the new generation of American politicians are much younger (the average age, for example, of the Democratic presidential candidates is under 50) and have much less political experience and notoriety than their predecessors. The point in history marking the beginning of their careers was not the United States' emergence from the "great depression" or the victory in World War II and the period of nuclear monopoly, but the impasse of J. Kennedy's "New Frontiers," the ignominious failure of the American aggression in Vietnam, and strategic parity with the USSR.

In general, the new leaders in American politics are members of the "baby boom" generation and were influenced perceptibly by the antiwar movement and civil rights movement of the 1960s and the Watergate scandal of the early 1970s. Of course, this generation is not monolithic and does have many passionate Reagan supporters, but in general it is distinguished by a combination of moderate conservative views on economic issues and an extremely liberal approach to social policy and international affairs.

The new group of politicians contending for the highest offices in the post-Reagan period has not had time to take a united stand on the country's main problems. The members of this group are distinguished by widely fluctuating views and eclectic positions and by a frankly opportunistic search for winning slogans. It is true that there are some rabid "ideologists" (such as J. Kemp) among them, but the majority are clearly pragmatists.

The Initial Outlines of the Post-Reagan Period

A tenuous balance of old and new tendencies now exists in the United States. The previous period is largely at an end, but the new one has not begun yet. This transitional phase could last several years, until the outlines of the

post-Reagan era are completely distinct. It is too early now to make any firm predictions, but I think it is possible to single out the main factors that will determine the parameters of the new political cycle in the country.

First of all, the centrist tendency is clearly growing stronger as the "ideologized" conservative wave subsides. On the one hand, it will be extremely difficult for rightwing conservatives to retain the position they had under Reagan. On the other, it is also unlikely that liberal groups will be able to regain their earlier dominant position. There is perceptibly mounting dissatisfaction with the unprofessional style of management which took shape under the current administration and with the obvious incompetence of many high-level officials who make decisions based on "philosophical convictions" rather than on the facts. The practice of entrusting government affairs to "amateurs" rather than "professionals" is being resisted more and more. There is an apparent search for a new bipartisan consensus on the main domestic and foreign policy issues. This is attested to by the growing realization that the severity of the problems facing the country is making the tendency toward political polarization quite dangerous. The present correlation of Democratic and Republican forces presages a stalemate if the next administration, regardless of the party heading it, does not adhere to a pragmatic and centrist policy line acceptable to the leaders of both parties.

In the second place, the budgetary and economic restrictions the new administration will have to face are quite clear. The Wall Street crash of fall 1987 was a symptom of a dangerous disease. One of the main concerns is the problem of the federal debt, which became much more severe under Reagan and will considerably restrict the possibility of budgetary maneuvers and necessitate such unpopular measures as a freeze on federal spending or further cuts in federal spending and a tax hike. Furthermore, no radical improvement in the balance of payments is anticipated in the foreign economic sphere. Traditional economic troubles certainly have not disappeared. In my opinion, the return of inflation is inevitable, and unemployment was always far in excess of the "norm" under Reagan. As a result, the effects of "Reaganomics" will continue to be felt for a long time and will make the American economy particularly vulnerable to another cyclical crisis.

In the third place, the further escalation of the nuclear arms race also looks difficult. The appeals for a 1.5-fold to 2-fold increase in the proportion accounted for by military spending in the GNP, appeals which were popular just a few years ago, are almost forgotten today. In recent years military expenditures have reached a "plateau" and have essentially ceased to grow in absolute terms. It is difficult to imagine that officials in the post-Reagan era will be able to find the funds to inflate the military budget. Furthermore, the programs launched under Reagan for the re-equipping of all three

components of the strategic triad leave no room for new supplementary programs unless substantial cuts are made in other Pentagon budget items.

In the fourth place, the future of "Star Wars" also looks hazy to me. On the one hand, as a research program the "Strategic Defense Initiative" is unsinkable. There is no serious opposition to the maintenance of the current level or a slightly higher level of R&D expenditures on ballistic missile defense. On the other hand, the transfer of the SDI to the stage of deployment seems more and more dubious. The work on the creation of "exotic" technology in this sphere does not hold out any great promise of success in the foreseeable future, and there is little trust in the effectiveness of the space-based ABM echelon equipped with interceptor missiles. Furthermore, the actual deployment of an ABM system in space would require from 15 to 20 billion dollars or more each year in allocations, but the current volume and structure of the military budget, as I mentioned above, are such that this could only be done at the expense of other military programs, and this is now beginning to worry members of the military-industrial complex who realize that a bird in the hand is better than the two in the bush the SDI might represent.

All of these tendencies, therefore, indicate the possibility of a more moderate policy line in the next political cycle in the United States and are making a return to the rightwing extremist policies of the early 1980s highly improbable.

Cracks in Old Stereotypes

Have the new developments in U.S. politics affected public attitudes toward the USSR and Soviet-American relations? How tenacious are the traditional "cold war" stereotypes as far as the American public is concerned? Can we expect changes in this sphere?

We must admit that the strong anti-Sovietism and militarism of the first half of the 1980s had a negative effect on American attitudes toward the USSR. According to Harris polls, the percentage of Americans with negative feelings about our country rose from 65 to 93 percent between 1979 and 1983. Furthermore, only 1 percent saw us as allies, 4 percent believed we were friendly, 30 percent thought we were unfriendly, and 63 percent were convinced that the Soviet Union was the enemy.¹ This was probably the record level of hostility toward us. According to D. Yankelovich's data, 56 percent agreed that the USSR was the "evil empire trying to take over the world."²

In addition, however, there was another side to the White House's anti-Soviet rhetoric. Reagan did actually frighten America. During his first term in office the fear of nuclear war reached an unprecedented level. In a 1984 poll, 68 percent agreed that "if we and the Soviets continue to build missiles instead of agreeing on ways to get rid of them, it is only a matter of time before the

missiles are used," 77 percent thought they had no chance of surviving a nuclear war, and 89 percent were convinced that there could be no winners in this kind of war.³

The mass movement for the freeze on nuclear weapons also reflected a deeper change in U.S. public opinion. Whereas the majority of Americans saw the atom bomb as a guarantee of security in the first years after Hiroshima, this nuclear optimism began to disappear at the onset of strategic parity, and today's views are the direct opposite of the original opinion: The very existence of thermonuclear weapons is regarded as a threat to U.S. survival.⁴ In one poll 85 percent of the respondents agreed that "in the past countries could settle disputes by going to war, but in the nuclear age the United States and the Soviet Union must **never** settle their disputes by means of war." In addition, 92 percent believed that the United States could not win the nuclear arms race, and 96 percent were convinced that "in a nuclear world it is too dangerous to get into fights with the Soviet Union."⁵

By the middle of the 1980s these attitudes were already making it extremely difficult for the administration to promote new strategic offensive arms programs. It seems to me that the reliance on the SDI was not only a means of getting around public opposition but also an attempt to manipulate public attitudes in the Pentagon's interest. After all, the SDI was advertised as a non-nuclear system and, what is more, as one that would make nuclear weapons "obsolete" and "useless."

It is also extremely indicative that the polls indicate a low level of support for "Star Wars" when the matter in question is limited ballistic missile defense for the protection of military installations, but the popularity of the SDI is immediately enhanced when it is portrayed as a means of "population defense." This reflects the typical American belief in the omnipotence of technology and the possibility of finding "technological" solutions to sociopolitical problems.

The current administration's hypocritical attacks on the "doctrine of deterrence," which were launched in the hope of mobilizing public support for the SDI, appear to have been a double-edged weapon. Whereas criticism of "nuclear deterrence" was reserved exclusively for anti-war groups before Reagan, the current President legitimized this view of the matter in respectable political circles. What is more, the issue of nuclear weapons is now regarded as a political and moral issue as well as a matter of military strategy. I think that the 1980s were a **turning point** in American views in this sphere.

The deeply ingrained American suspicions of our country's motives are also significant. Anticommunist prejudices are the reason why the majority of Americans are convinced that the "Russians cannot be trusted."

The "image of the enemy," however, is far from monolithic. There were already obvious disagreements in this sphere several years ago. On the one hand, 74 percent of the Americans believed that "communism is a threat to our religious and moral values" and 69 percent felt that "the Soviet Union is more of an ideological threat than a military one." Only 40 percent, however, thought that "the United States will have to go to war with the Soviet Union sooner or later to stop the spread of communism," while 41 percent said they would rather die in a nuclear war than live to see the triumph of communism.⁶

On the other hand, 71 percent of the Americans said that "getting along with the communist countries is possible," 70 percent believed that Reagan's "statement that the Soviets are the reason for all of the troubles in the world is a dangerous oversimplification," and 67 percent agreed with the statement: "Live and let live. Let the communists have their system and let us have ours." Besides this, 59 percent believed that the United States would be more secure "if we stop treating the Soviets as enemies and try to settle our differences," and 53 percent thought that "the United States would be in a safer position if it could stop trying to prevent the spread of communism and could learn to live with it."⁷

There was, therefore, a clear rift in the American view of the Soviet Union. Some Americans still based their opinions on anticommunist prejudices while others might not have felt any great affection for us but had the good sense to realize that the improvement of American-Soviet relations for the purpose of preventing nuclear war was necessary and possible.

The real state of affairs is more complicated than divisions based on public opinion polls. Nevertheless, they do provide some indication of possible changes in American politics. This is attested to, for example, by the results of polls conducted by the Chicago Council on Foreign Relations, reflecting the attitudes of the general public and of "leaders"—prominent figures in business, the church, science, culture, and the labor unions.

There is a clear and strong desire for **better relations with the Soviet Union**. For example, 80 percent of the population and 95 percent of the "leaders" are in favor of arms control agreements with the USSR.⁸ There is no question that this must be taken into account by any administration, however fervently it might wish to escalate the arms race. Even the White House's massive and carefully choreographed campaign to falsely accuse the Soviet Union of violating earlier arms limitation agreements could not undermine these feelings in the general public and even in the political community. This approach could serve as a solid **internal political basis** for a policy line differing radically from American policy in the first half of the 1980s.

The results of polls on various aspects of U.S.-Soviet bilateral relations are equally indicative. It is no secret that an attempt was made a few years ago to put an end

to these relations completely. American propaganda made every effort to prove that these contacts represented a "one-way street" and benefited only the USSR. However, 78 percent of the public and 98 percent (!) of the "leaders" support the resumption of cultural and educational exchanges, 53 percent and 83 percent of the respective groups want the bans on scientific exchanges to be lifted, and 52 percent and 73 percent respectively are in favor of the development of Soviet-American trade.⁹

Even in these spheres, therefore, the prerequisites for considerable progress exist.

The Influence of the Soviet Factor

The beginning of the perestroika process in the Soviet Union came as a surprise to many people in America because anti-Soviet stereotypes and outdated and biased beliefs about life in the Soviet Union were so strong. "A crisis-ridden system in a state of decay, with a stagnant and inefficient economy, a corrupt bureaucratic elite, an ailing, cynical, and dissatisfied public, and an aging and incompetent leadership capable neither of changing nor of implementing policy but only of manipulating it"¹⁰—this is how the "prevailing image" of our country in the United States was described by Princeton University Professor S. Cohen, who called it a "crude and distorted caricature."

For some time after the April (1985) CPSU Central Committee Plenum, American propaganda tried to deny the existence of changes in the USSR, portraying them as misinformation calculated to "mislead a naive West." Attempts were made to conceal Soviet foreign policy initiatives, particularly the moratorium on nuclear tests. Gradually, however, the American public began to display more and more interest in the perestroika in the Soviet Union.

The turning point was the summit meeting in Reykjavik, the results of which came as a surprise to many Americans. Above all, Reykjavik offered conclusive proof that a radical change in Soviet-American relations was a possible and realistic objective. Up to that time many people in the United States had regarded arms control as a process of agreement on "the rules of the game between nuclear powers."

The summit meeting in Washington was a new "moment of truth" for the population of the United States in the assessment of Soviet policy. M.S. Gorbachev's dynamic and bold manner did much to discredit familiar stereotypes with regard to the USSR.

The "Gorbachev factor" has had an extremely perceptible effect on American public opinion. According to a WASHINGTON POST survey, 59 percent of the Americans have a "good impression" of M.S. Gorbachev, while only 35 percent do not, and 73 percent feel that the Soviet leader "seriously wants to work toward progress

in arms control."¹¹ Reflecting these feelings, *TIME* magazine chose M.S. Gorbachev as its "Man of the Year." Editor-in-chief C. Maynes of *FOREIGN POLICY* magazine, who has little affection for the USSR, wrote that "the influence of Soviet peace initiatives in the West was previously limited to the left or even the extreme left of the political spectrum. This is why these initiatives did not have a strong enough social impact to influence policy to any degree. Gorbachev's ability to win support from all segments of the Western political spectrum, however, marked the beginning of a new chapter in East-West relations."¹² Accustomed to personifying politics, many Americans have begun to transfer their interest in the personality of the Soviet leader to our country in general. Of course, there are still many cases of speculation and attempts to distort or misrepresent the purpose of perestroika. The outright denial of changes in Soviet domestic and foreign policy, however, has now become virtually impossible. Several new features have recently been apparent in American public opinion. According to a fall 1987 Gallup poll, the number of those with a positive attitude toward the USSR had risen to 25 percent and the proportional number of respondents with negative attitudes had decreased to 71 percent. Of course, anti-Sovietism is still quite strong in the United States, but tendencies toward changes in opinion are apparent.

First of all, the fear of "Soviet aggression" has lessened perceptibly. According to a Harris poll conducted after M.S. Gorbachev's trip to Washington, 55 percent of the Americans are starting to trust the USSR more. Whereas just a few years ago there was a widespread conviction in the United States that the USSR supposedly did not want disarmament, now few people doubt the sincerity of the Soviet Union's efforts to stop the arms race. The fact that our country has taken the initiative in arms reduction is also being acknowledged.

In the second place, Americans are much more curious about life in the Soviet society. A Gallup poll indicated that 85 percent of all Americans are interested to some extent in events in the USSR, and 36 percent are "very interested." In the past this concern was limited to the stereotypical issues publicized by anti-Soviet propaganda (Sakharov, the dissidents, and Jewish emigration), while most Americans simply did not know about the actual problems our country was facing and took little interest in them. Now, however, there is a colossal interest in the expansion of democracy and economic reform. It was no coincidence that the word "glasnost" and then the word "perestroika" became part of American political terminology. Of course, there is also an instinctive desire to measure our life with the common yardsticks of American society, but sincere interest and a desire to obtain as much unbiased information about the Soviet Union as possible are nevertheless predominant.

In the third place, the customary ideological objectives with regard to socialism are also being questioned. According to a Gallup poll, 77 percent of the Americans

feel that the Soviet people now have "more personal freedom,"¹³ and a poll conducted jointly by several organizations indicated that 68 percent of the Americans are aware to some extent of the presence of changes in the USSR.¹⁴ The image of the USSR as an "inhumane society" is being shattered. The fact that we are not concealing our problems also impresses the American public greatly. The return of some former Soviet citizens to their homeland has also had repercussions. As a "nation of immigrants," the Americans tend to exaggerate the importance of immigration and emigration. As a result, they are now starting to view us with general human interest rather than from the vantage point of ideologized convictions. The policy of glasnost in general has been productive, and the anticommunist stereotypes are beginning to give way to the view of us as a "normal" society, and hostility is subsiding. Furthermore, there are also indications that some people sympathize with us or even want to learn about socialism in detail. The importance of this attitude must not be exaggerated, but its emergence after many years of stupefying propaganda is indicative.

The First Signs of the New Thinking

Under these conditions, the traditional theories of Sovietology are completely anachronistic. Since the time of Hannah Arendt the concept of "totalitarianism" has been regarded as the only possible framework for the study and analysis of Soviet domestic and foreign policy. Although I believe that far from all American experts on the Soviet Union adhere to this approach, there has been virtually no public criticism of the application of the theory of the "totalitarian society" to our country. This was the reason for the limited nature of American studies of Soviet economics and politics.

American Sovietology's Achilles' heel was its indissoluble connection with emigrant groups with anticommunist and anti-Soviet views. At one time these were White Russian emigres, and after World War II they were emigres from the Eastern European countries, such as Z. Brzezinski and R. Pipes. The latter often combined their desire for social revenge for a class defeat in the "old" country with poorly concealed Russophobia. The subjective factor was not conducive to scientific analysis.

It is not surprising that Sovietology played a generally negative role in Soviet-American relations in the last decade. Theoretically, the relaxation of tension was substantiated on the American side almost exclusively with arms control considerations. The Sovietologists, however, with rare exceptions, did not take part in the elaboration of the American concept of "detente." On the contrary, Sovietology supplied the opponents of detente with theoretical baggage by posing arguments in favor of interference in our country's internal affairs.

The propagandistic purpose of most Sovietological studies made them incapable of serving politicians as a theoretical basis for programs for the improvement of

Soviet-American relations. The methodological defects of Sovietology were most distinct in the beginning of the 1980s, when it revolved around two topics: "economic decline" and the change of leadership in the USSR. Absorbed in these studies, Sovietology overlooked the changes taking place in Soviet society and could not foresee perestroika.

The current political, social, and economic processes in the Soviet Union completely undermined the viability of the idea of "totalitarianism." American experts on Soviet affairs suddenly lost their theoretical basis. All of this led to a severe and painful crisis in Sovietology.

In addition, we must admit that several prominent and respected American scholars have been advising the abandonment of the hypocritical moralizing tone for a long time now and are saying that the USSR must be viewed from a new vantage point and, what is more, that the fundamentals of the U.S. approach to our country must be restructured. In the past it was only rarely that officials like G. Kennan, the author of the doctrine of the "containment of communism," were able to renounce their own dogmas, call for the total revision of traditional views, and propose radical changes in policy. Today the restructuring of American policy and a search for mutually acceptable solutions are being advised not only by G. Kennan, but also by renowned Sovietologists of the older generation, such as M. Shulman and S. Bialer.

In this new atmosphere the members of the next generation of American Sovietologists with a realistic frame of mind have been more active, including Director R. Legvold of the Harriman Institute, Duke University Professor J. Hough, S. Cohen, and several others. Their approach to the USSR is far from unambiguous, but they have displayed a clear desire to find certain points in common. It is probable that their views were influenced to some extent by the detente of the 1970s. In any case, they do not regard confrontation as the only possible model of Soviet-American relations.

The researchers of this generation are now trying to fill the theoretical vacuum and elaborate new ideas about the proper approach to the USSR. It is still too early to predict the results of these inquiries, but I have the impression that there are some disagreements among American Sovietologists. It would be naive to expect rabid anti-Soviets to acknowledge realities, but it is becoming increasingly obvious that far from all of the experts on our country's affairs belong to this category. Some of them are striving for a complete and objective analysis of perestroika in the USSR and its implications for the United States.

Similar changes are also taking place among American experts on military strategy, foreign policy, and disarmament. For a long time one current of American political science has resolutely advocated arms reduction. The Arms Control Association, the Federation of American

Scientists, the Union of Concerned Scientists, the Council on Environmental Quality, and several other public organizations have renowned scientists who support the cessation of the arms race among their members. They are striving to elaborate alternatives to power confrontations with the USSR and to substantiate practical ways of strengthening strategic stability. The new way of thinking, based on the recognition of the realities of the nuclear-space age, will probably start making some headway in these groups before it gains ground in other spheres of American society.

The vehement statements by several congressional leaders and former U.S. government officials against obsolete doctrines are an equally important factor. Even though these people are not part of the current administration, it is quite indicative that the initial signs of the new way of thinking are being witnessed in the groups known as the establishment to Americans and as ruling circles to us.

The new attitudes have stimulated activity by the American Committee on U.S.-USSR Relations (formerly the Committee for East-West Accord). This organization is trying to give the changing public view of the Soviet Union political form. Some other sociopolitical groups are working in the same direction.

An interesting report was published in fall 1987 by a bipartisan working group consisting of 40 businessmen, prominent Sovietologists, journalists, and former officials. "We believe that the West's passive approach to the new Soviet policies is unacceptable," the authors of the report warned. "The new policy line Gorbachev has chosen and the Western reaction to it will influence the Soviet Union's performance of its role as a superpower. The more subtle and flexible Soviet diplomacy is a new challenge to Western unity. Unless our response to this is active, we will give up the diplomatic initiative to the Soviet Union and miss a rare opportunity to build new East-West relations."¹⁵ The report advises more active talks on radical strategic force reductions, the reinforcement of the ABM Treaty, and the reduction of chemical weapons and conventional forces. The authors advocate Soviet-American cooperation in the settlement of regional conflicts, including conflicts in the Middle East. They support broader trade and economic relations, the repeal of the notorious Jackson-Vanik and Stevenson amendments, and the promotion of the inclusion of the Soviet Union in GATT.

For the first time the process of theoretical reinterpretation is affecting beliefs about the Soviet society and opinions with regard to relations between the United States and the USSR in the politico-military sphere as well as in the economic, scientific, and humanitarian spheres. This is not simply a change in American tactics, but also the elaboration of an alternative to the **strategic line** the United States has pursued in its relations with the Soviet Union throughout the postwar period. "The United States must begin thinking about the unthinkable

in the political, economic, and military spheres," C. Maynes wrote, for example, when he advised the West to "work out a policy of pragmatic but resolute cooperation" with the USSR.¹⁶ Naturally, this transition to the new way of thinking cannot fail to be resisted by reactionary groups.

Will There Be a "Perestroika" in America?

The changes in the attitudes of the public and influential political groups could not fail to affect official Washington policy, although the administration still has not revised its position on the main issues—the radical reduction of strategic nuclear arms and the reinforcement of the ABM Treaty framework for the purpose of preventing the militarization of space. The White House displayed greater flexibility in the resolution of the problem of eliminating intermediate- and shorter-range missiles, although the administration is clearly trying to use this necessary move to strengthen its own shaky domestic political position. According to THE WASHINGTON POST, "with few exceptions, political analysts and public opinion experts believe that the important advance in the conclusion of arms control agreements with the Soviet Union could save the Reagan Administration's sullied reputation and improve the Republican Party's chances of holding on to the White House in the 1988 elections."¹⁷ Two-thirds of the Americans are in favor of the agreement on the elimination of intermediate- and shorter-range missiles. It is indicative that public opinion polls recorded an increase in support for President Reagan from 47 percent to 59 percent immediately after this agreement had been concluded.¹⁸ Besides this, 76 percent of the Americans agree that the United States and the USSR are entering a new age in which relations between the two countries will be much better than before, and 59 percent hope that an agreement on strategic offensive arms reduction will be signed in 1988.

The central topic of the debates on American-Soviet relations following M.S. Gorbachev's trip to the United States has been the reaction to perestroika in the USSR. Extreme rightwing groups see it as a threat to the United States because it will strengthen the Soviet Union and they are advising action according to the belief that "the worse, the better." They feel that continuing the strategic arms race on earth and extending it to space will be the best way of preventing a new detente. The more realistic segments feel that the processes in our country should be applauded, seeing them as a prerequisite for the reduction of the danger of nuclear war and for a qualitative reversal in the relations between the two countries.

Therefore, there are some distinct new trends in American public opinion and among the elite. I feel it is paradoxical that the new features in the approach to the USSR are being displayed by an administration which was initially guided by fundamentally different strategic aims. It will probably be some time before the situation

crystallizes and the transition to the new political cycle is completed. This could happen under the next administration, but it also might be a lengthier process.

In general, we cannot exclude the possibility of something like perestroika in the United States if the realistic elements of the approach to the Soviet Union correspond and coincide with the general changes in national politics. The efforts to reach a new bipartisan consensus on difficult economic and domestic political problems inherited from the Reagan Administration could also affect Soviet-American relations. This turn of events is not guaranteed, but if it does happen it will be the first time in many years that a strong enough internal political basis for the relaxation of tension will exist in the United States.

Footnotes

1. For more about American public attitudes, see "Obshchestvennoye soznaniye i vneshnyaya politika SShA" [Public Opinion and U.S. Foreign Policy], Moscow, 1987.
2. "Voter Options on Nuclear Arms Policy," New York, 1984, p 27.
3. Ibid., pp 18-20.
4. Ibid., p 17.
5. Ibid., pp 24-25.
6. Ibid., pp 27, 36-37.
7. Ibid., pp 27, 34-37.
8. "American Public Opinion and U.S. Foreign Policy 1987," edited by J. Rielly, Chicago, 1987, p 6.
9. Ibid., p 14.
10. R. English and J. Halperin, "The Other Side. How the Soviets and Americans Perceive Each Other," Washington, 1987, pp 77-78.
11. THE WASHINGTON POST, 6 December 1987.
12. FOREIGN POLICY, Fall 1987, p 88.
13. THE WASHINGTON POST, 6 December 1987.
14. THE NEW YORK TIMES, 4 December 1987.
15. THE WASHINGTON POST, 4 October 1987.
16. FOREIGN POLICY, Fall 1987, pp 96-97.
17. THE WASHINGTON POST, 20 November 1987.

18. U.S. NEWS AND WORLD REPORT, 5 October 1987, p 36.

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8588

Washington and African Horn Countries

18030007b Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 3, Mar 88 (signed to press 17 Feb 88) pp 33-40

[Article by Nikolay Nikolayevich Tarasov, candidate of historical sciences and department head at the Scientific Research Institute of Labor of the State Committee of the USSR for Labor and Social Problems]

[Text] The Horn of Africa (northeast Africa), which is located on the approaches to the world's main oil-producing region (the Persian Gulf and the Near and Middle East), still occupies an important place in American imperialism's neoglobalist strategy. The Sudan is also part of this region geographically, but it is usually not included in the term "Horn of Africa." This article will mention some of the politico-military aspects of U.S. relations with the Sudan, which is also connected by political and economic ties with the African Horn countries proper (Ethiopia, Somalia, and Djibouti). The strategic location of the Sudan, the largest African country in terms of territory—its long Red Sea coastline and its common borders with Ethiopia, Kenya, Uganda, Zaire, the Central African Republic, Chad, Libya, and Egypt—has given it a key position in northeast Africa. It is no coincidence that the Sudan, along with Ethiopia, Somalia, Djibouti, and around 15 other African, Arab, and Asian states, is within the zone of operations of the U.S. Central Command (CENTCOM), created on 1 January 1983 to command the "rapid deployment forces" (RDF).

American imperialism regards this region as one of the most suitable in Africa for the testing of new methods of politico-military, economic, and ideological expansion and the improvement of traditional methods. It is here that new tactics are being employed—agreements on a "new partnership" are being imposed on African countries (based on Reagan's so-called "economic policy initiative" for Africa), attempts are being made to build

politico-military blocs of African states, "low-intensity conflicts" are being escalated, etc. As Professor M. Clair described it, this is "counterinsurgency and much more." It "includes counterterrorist strikes, police raids like the war on Grenada, and attempts to overthrow pro-Soviet governments in the Third World." The American researcher predicts "a new round of military intervention in the developing world."¹

The aggressive behavior of the United States and its proteges in the African Horn countries is still being justified by the mythical "Soviet-Ethiopian threat" and the USSR's "insidious plots" to establish a "pro-Soviet zone" in northeast Africa. As recently as December 1987 U.S. Secretary of State G. Shultz addressed the Council on Foreign Relations in Washington and reiterated his opinion of the "Marxist revolution in Ethiopia," trying to convince his audience that this country's troubles are due less to "natural disasters than to the blind and futile imitation of the Soviet experience."

The U.S. administration's fictitious account is supported by some Western and African researchers who interpret Soviet policy from the same ideological standpoint as U.S. policy, "not noticing" the fundamental difference between the two policy lines.

Strictly speaking, the United States has always pursued expansionist goals in its policy "east of Suez," including the northeastern portion of the African continent. Within the framework of this line, however, there has been some evolution in connection with the mounting anti-Sovietism and aggressiveness of American imperialism, especially at the end of the 1970's and the beginning of the 1980s.

Former President of the United States J. Carter, for example, decided to make an exception to his "program of arms sale restrictions" for two east African countries—Somalia and Kenya—which the Pentagon wanted to turn into support points for the RDF. In the 1980s the Reagan Administration made this exception the rule and increased deliveries of weapons to African countries, including those in northeast Africa. THE WASHINGTON POST reported that American economic aid to the African countries for the current fiscal year had decreased by 34 percent, while military aid was more than triple the 1980 figure.² The distribution of American military aid in the African Horn countries in recent years has been the following, in millions of dollars:

Country	1985	1986	1987
Sudan	46	20	52
Somalia	34	20	37
Djibouti	3	2	3
Total	83	42	92

Source: LE MONDE DIPLOMATIQUE, February 1987.

The export of American arms is usually selective and is intended to expand influence on the foreign and domestic policies of recipient states. In 1982, for example, when a state of emergency was declared in Somalia in connection with mass public demonstrations against the ruling regime's antinational policies, the American administration requested Congress to set aside part of the projected military sales to the northeast African countries (and all of the sales to Somalia and the Sudan) in the form of so-called direct government credits, extended at a rate of 3 percent per annum instead of the usual 12 to 14 percent. Furthermore, in 1981 an American administration official, Under Secretary of State J. Buckley, had already openly admitted that the "concessionary rates are not an act of altruism" on Washington's part, but, "quite to the contrary, the most deliberate action, calculated to serve the United States' own interests."¹ When C. Weinberger headed the Pentagon, he expressed his views on American arms exports to Africa even more frankly: "By supplying Africa with weapons, we are killing three, and not just two, birds with one stone. First of all, this is a matter of guaranteed markets and income for American companies. Second, by arming pro-Western governments we are forcing neighboring Marxist regimes to give up their experiments whether they want to or not. And third, the United States has the strongest and most stable economic and political influence in the countries where most of the American weapons are being sent."

American imperialism's expansionist policy in the region is also attested to by the vigorous augmentation of U.S. military bases and support points on foreign territory and the organization of regular large-scale military exercises and maneuvers there. The most massive American military maneuvers in the Horn of Africa on Somali territory in August 1983, code-named "Eastern Wind-83" (2,800 American servicemen took part in them), were coordinated with the "Bright Star-83" maneuvers on the territory of the Sudan, Egypt, and Oman. In summer 1984 the United States and its NATO allies (Great Britain, France, and Italy) made an intense effort to mine the Suez Canal and the Red Sea and then used this as a pretext to create a new type of multinational force in the region. The real purpose of the militaristic actions of the United States and its NATO partners was a show of military strength to keep the littoral countries within the Pentagon's military orbit (especially after the Egyptian Government refused to participate in the "Bright Star-84" exercises in 1984), to polish up their tarnished image in the Afro-Arab world after the scandalous marine landing in Lebanon in 1982, and to divert attention from Israel's bandit raids on the Arab territories it had seized.

The Americans were perfecting the same tactic of military intervention in regional affairs in the maneuvers of subsequent years. Furthermore, this was done under the cover of "military cooperation with friendly countries," which now include Somalia. The Somali port of Berbera, which is 1,000 kilometers closer to the Persian Gulf than

Diego Garcia, now has a refueling point for U.S. naval ships. The Somali Government not only agreed to participate in military exercises in 1987 but also signed an agreement with Washington on the storage of the radioactive waste of American industrial enterprises on Somali territory (a long-term lease on 800 square kilometers of Somali land in the Mudug and Hiraa regions) in exchange for military and economic assistance.⁴ Foreign financial aid to Somalia in 1986 totaled 400 million dollars (with one-fourth of the sum extended by the United States), resulting in a large and quite well-equipped army, the maintenance of which costs the Mogadishu government around 170 million dollars a year on the average.

It must be said that the efforts to create a "Greater Somalia" with the territory of neighboring states lost steam, so to speak, after the defeat in the war with Ethiopia in 1977 and 1978. Nevertheless, a declaration unfriendly to Addis Ababa, supporting the counterrevolutionary dissident groups still operating in the Ethiopian autonomous province of Eritrea, was adopted at the Second Congress of the Somali Revolutionary Socialist Party (March 1985).⁵

By its sociopolitical nature, a military conflict always has definite political implications. Washington regards the conflict in the Horn of Africa, which the American administration has categorized as a "low-intensity conflict," as one way of exerting military-diplomatic pressure on the Soviet Union and other countries of the socialist community.

Although it is actively taking advantage of the "new opportunities" the American administration gained in connection with the change in Somalia's position in international affairs, the United States is not insisting on massive military preparations in this country because of the relative instability of the ruling regime. On 12 December 1986, LE MONDE reported, for example, that "the military and political apparatus in Somalia is so weak that...the head of state cannot afford to make any controversial decisions that might jeopardize the unstable tribal balance."

At the same time, there has been some anti-Ethiopian propaganda in the American and West European press in the last 2 years. "The imperialist mass media," ADDIS ZEMEN remarked on 2 February 1986, "miss no opportunity to slander Ethiopia.... American propaganda does not say a single word about the country's successes...but it virtually condemns all efforts to eliminate feudal and bourgeois practices. The class enemies of Ethiopia will never want to see our people taking the progressive socialist path." The CIA is still interfering in Ethiopian domestic politics by supporting opposition movements. At the very beginning of his term in office, Reagan instructed the CIA to allocate 500,000 dollars annually for the propaganda and military operations of the Ethiopian Popular Democratic Alliance, an anticommunist

monarchic organization with its headquarters in London. The Reagan Administration even began training special forces with the aim of overthrowing the government of Mengistu Haile-Mariam. An American radio station in the Washington suburbs broadcasting programs in Amharic is essentially the sounding-board of the former Ethiopian landowners and capitalists who are spreading rumors about the "failures" of Addis Ababa's socioeconomic policy.

It would seem that the Ethiopian people's adoption of a new constitution, the declaration of the People's Democratic Republic of Ethiopia, and the transfer of power to the Ethiopian National Assembly (Shengo) by the Provisional Military Administrative Council should have shown Washington the futility of its hope that this country would rush back into America's embraces. As Mengistu Haile-Mariam said at the September (1987) Plenum of the Central Committee of the Ethiopian Workers Party, however, the successes of the revolution are arousing the anger of imperialist groups, and they are intensifying their psychological warfare against the country, supporting counterrevolutionary forces, and trying to impose economic sanctions.

As for the Sudan, the United States is keeping a close watch on developments in Khartoum. Documents published after April 1985 indicate that four air force bases were to be built on the territory of the Sudan for the RDF. Besides this, the construction of a powerful radio station near Port Sudan is being completed. American CIA agents assisted in the creation of a diversified Sudanese security force, and under Nimeiri Khartoum became one of the main regional centers of American intelligence and counterintelligence. Joint exercises and maneuvers were conducted regularly until 1985. It is no wonder that NEWSWEEK magazine advised Khartoum's allies to "do everything necessary" to "keep Nimeiri in power."⁶

Ever since Nimeiri was overthrown, Khartoum has refused to participate in the last "Bright Star" maneuvers for "technical reasons," although it has not excluded the possibility of participation in the future. Washington does not want to let this country out of its clutches and is simultaneously resorting to blackmail and making lavish financial promises. American aid to the Sudan increased from 5 million dollars in 1979 to 500 million in 1986.⁷

Although the new Sudanese leadership announced its desire to maintain various types of contact with the United States, Pentagon strategists who view all conflicts within the context of East-West rivalry cannot accept the normalization of relations between the Republic of the Sudan and its neighbors, especially Libya and Ethiopia. Nevertheless, Washington has had to take the recent significant changes in the countries located along the Red Sea coastline into account—the mounting national self-awareness and the attempts to manage their own natural resources and decide their own future freely, without any outside intervention.

As speakers noted at a special session of the UN General Assembly on the critical state of the economy in Africa (May 1986), this continent has now taken Asia's place as the world's main recipient of food assistance.

The economic crisis which initially had the most severe effects on African agriculture is being compounded by the unfavorable terms of foreign trade with capitalist states, the dramatic reduction of export revenues, the decrease in incoming resources, the heavy burden of foreign debts, and the prolonged and widespread drought, which also included the African Horn countries in the 1983-1987 period.

According to official data published in Addis Ababa at the beginning of 1985, for example, 12 of the 14 Ethiopian provinces were in the disaster zone and more than 7 million people needed immediate medical assistance because of the shortage of food and drinking water. In spite of this, as THE NEW YORK TIMES reported on 28 August 1983, the President of the United States "cancelled allocations for food assistance to Ethiopia in 1984 because of the policies of its Marxist government.... Reagan is missing a rare opportunity to pursue a creative (!) foreign policy in Africa. Nowhere is this opportunity better than in Ethiopia, which is suffering from the most severe drought and hunger since 1973-74."

Later, however, it became clear that the American administration had kept a close watch on the development of the situation in Ethiopia. Washington was simply waiting for the right moment to, as former Chairman R. Lugar of the Senate Foreign Relations Committee put it, "push the pressure button as soon as the country literally hit bottom."⁸

In October and November 1984 the U.S. Agency for International Development offered Addis Ababa assistance in the amount of 97 million dollars. Grain, medical supplies, and transport planes were sent to Ethiopia, all within the framework of the first direct intergovernmental program of assistance since the 1970s. The American press simultaneously launched a broad campaign to advertise what it referred to as "a comprehensive initiative to aid the hungry in Africa." According to, for example, the CHRISTIAN SCIENCE MONITOR, however, in a percentage relationship to the gross national product, this aid was equivalent to "half the assistance of West Germany and less than one-seventh of Norwegian aid"; "U.S. aid (per capita) to the countries in Central America whose governments it supports is six times as great as the aid to the entire region south of the Sahara devastated by hunger and drought."⁹

Although the Reagan Administration knew that the drought was approaching the African Horn region and was aware of its possible tragic consequences, it felt, as THE WASHINGTON POST remarked on 23 November 1984, "that its politically motivated hostility toward the Marxist government of Ethiopia was more important than purely human concern for the unfortunate victims

in the drought-ridden internal regions of this country: the National Security Council insisted on using aid to the hungry as a means of gaining political concessions from Ethiopia."

In the middle of the 1980s there were several major scandals in the United States in connection with the unscrupulous behavior of "charitable institutions" appropriating funds contributed for the assistance of the Ethiopians stricken by natural disasters. The activities of a group of swindlers from California who called themselves "International Christian Relief" were particularly broad in scope. They collected around 20 million dollars for the victims of the drought, but not one penny ever reached the Horn of Africa. According to some Western sources, "International Christian Relief is a cover for American intelligence operations. Incidentally, people in Africa are well aware that agents of the CIA and Mossad feel freest wherever American religious and other 'private organizations' are operating."¹⁰

In the middle of the 1980s Ethiopia decided to curtail the activities of several such "private organizations."

While the American mass media took every opportunity to praise Western "food assistance," they deliberately underestimated the significance of the Soviet aid to Ethiopia in the form of transport vehicles. They did not report that Soviet planes, helicopters, and trucks delivered three-fourths of the foreign food shipments to the hungry inhabitants of Ethiopia.

Washington has been irritated by the increasingly frequent criticism of its neoglobalist policies in the African countries in recent years. During his 8-day tour of six African states in the beginning of 1987, G. Shultz tried to embellish the policy line of the Reagan Administration.

Israel, which has recently stepped up its multifaceted activity in Africa, did not miss the opportunity to "warm its hands" over the fire of intergovernmental disputes in the African Horn countries. The doctrine of "strategic cooperation" between Tel Aviv and Washington has been extended not only to the Middle East but also to other regions, including Africa. Israeli ruling circles are primarily interested in expanding and strengthening their own military-strategic and economic positions in Africa and simultaneously securing imperialist interests in general, including the continued spread and reinforcement of Western influence and the search for allies, especially in the littoral countries of the Red Sea.

As for the United States, it is exerting stronger pressure on some states in the region to force them to restore—following the example of Zaire, Liberia, and the Ivory Coast—diplomatic relations with Tel Aviv. In particular, when C. Weinberger visited Israel in fall 1982, he declared that his information indicated that the Sudan and Somalia were willing to do this. This announcement did not come as a surprise to those who had kept an eye

on developments in the region. Diplomatic moves of this kind are intended to prevent the isolation of the Zionist regime in the international arena.

Recent events have shown that the U.S. administration is not reluctant to have others pull its burning chestnuts out of the fire (especially Israel and South Africa). Zionist groups in Israel organized the secret transfer of more than 7,000 Ethiopian citizens of the Jewish religion to the "Land of Zion" through Nimeiri's Sudan in the middle of the 1980s with Washington's support on the pretext of "saving the Ethiopian Falasha Jews" and with the aim of discrediting Socialist Ethiopia. The leader of the campaign known as "Operation Moses" was a man named Levinsky, the acting chairman of the executive committee of the World Zionist Organization headquartered in the United States. The operation was financed with funds from abroad.

"Some researchers...assumed that Nimeiri took part in the Falasha exodus for 60 million dollars in cash from the American Jewish community. Others believed that Israel had supplied the Sudan with weapons in exchange for Nimeiri's consent to the transfer.... In reality, however, the main role was played by American aid to Khartoum," English researcher T. Parfitt declared.¹¹ In his book he cites facts to prove that the American intelligence community was involved in financing and organizing Operation Moses.

The Falasha Jews, whose transfer to Israel cost 300 million dollars,¹² were pawns in a dirty Zionist political game, one of the aims of which was a rift in the Afro-Arab solidarity movement. It was no coincidence that many Falasha Jews were moved to Qiryat Arba and other settlements on Israeli-occupied Arab land, which aroused the displeasure of the native population.

The Afro-Arab public was also deeply disturbed by the reports of Western and some African news agencies on Somali-South African negotiations, implying that Mogadishu was willing to allow Pretoria to use the port of Chisimayu on the coast of the Indian Ocean for military purposes in exchange for arms shipments from South Africa. Incidentally, Pentagon experts have been engaged in the stepped-up remodeling of the port since January 1986. Although Somali spokesmen have denied this, a visit to Mogadishu by South African Foreign Minister R. Botha was reported in South African, Ethiopian, and French newspapers. If the agreements between South Africa and Somalia acquire legal force, Somalia will be the first of the members of the Arab League to go against the decision made at a conference of the heads of state and government of Africa and the Arab East (in Cairo in 1977) on the severance of all relations with South Africa. In any case, the African National Congress (ANC) and the South-West African People's Organization (SWAPO), operating in Namibia, condemned the Somali-South African negotiations and issued a joint statement declaring that "the unprecedented step the Mogadishu regime has taken will pose a

direct military threat to the countries and peoples of Africa in general and the Horn of Africa, East Africa, and the Indian Ocean islands in particular."

There is no question that this kind of bargain would lead to the considerable geographic expansion of the sphere of South Africa's military influence. Access to Somali naval bases would allow the racist regime to pose a direct threat to islands of great strategic importance, such as the Seychelles, where Pretoria organized an unsuccessful attempt at a coup d'etat in 1981 and where it is still pursuing expansionist aims. In all probability, South Africa's ultimate goal is to police the entire Indian Ocean coastline. This fits in with the plans of Washington, which called South Africa its "historical friend and ally" and is still supporting it and developing "constructive interaction" with it, as G. Shultz unequivocally affirmed during his African tour of January 1987.

Therefore, the United States has not only enveloped Northeast Africa in a web of military bases and support points and is not only filling the countries of this region with military arsenals, threatening their political and economic independence, but is also trying to bring Israel and South Africa out of diplomatic isolation now that they have proved to be reliable partners in American imperialism's struggle against the African and Arab peoples.

The policy of the United States in the African Horn countries is part of American imperialism's global strategy of confrontation with the USSR and other countries of the socialist community and the creation of an atmosphere of anticommunism and anti-Sovietism and has been engineered with a view to the geopolitical significance of northeast Africa. The Reagan Administration's policy line does not promise the United States any new successes in the region because Washington is ignoring the real balance of power between progressive and pro-Western forces and between independent African countries and South Africa, which is supported by the West and Israel.

The Soviet Union's idea of creating a comprehensive system of international security, with the just political settlement of regional conflicts as one of its essential elements, gained considerable support from the world community at the 42d session of the UN General Assembly. The fundamentals of this system are also applicable to the African Horn region, which is still, in spite of some positive changes in Ethiopian-Somali relations, a "hot spot" in northeast Africa because local factors contributing to tension are constantly reinforced by external, global factors.

As far as the Soviet Union is concerned, it resolutely opposes any kind of interference in the affairs of African and other developing states. Its experience in relations with the African Horn states and other countries of the continent has confirmed the need to respect the distinctive features of the development of people in various

regions, because "tension and conflicts in regions and even wars between various states in a particular part of the world are rooted in the past and in the present socioeconomic conditions in these countries and regions," M.S. Gorbachev said at the Soviet-American meeting in Geneva. "The implication that all of these conflicts are the product of East-West rivalry is not only inaccurate but also extremely dangerous."¹³ The USSR supports the efforts of Ethiopia and other progressive countries to turn the Red Sea into a zone of peace, free of foreign military bases, to observe the principles of the Organization of African Unity and the Nonaligned Movement, and to declare all Africa a nuclear-free zone.

The USSR's policy of international detente is contributing either directly or indirectly to the augmentation of the role of emerging states in international affairs. This was quite definitely reaffirmed in the CPSU Program: "The Soviet Union is on the side of the states and peoples repulsing the attacks of aggressive imperialist forces and defending their freedom, independence, and national dignity. In our day solidarity with them is also an important part of the common struggle for peace and international security."¹⁴

Footnotes

1. NEWSDAY, 7 April 1986.
2. THE WASHINGTON POST, 11 January 1987.
3. DEPARTMENT OF STATE BULLETIN, 1981, No 2054, p 64.
4. The Pentagon has been seeking a nuclear waste dump for a long time. The Sudan was the first choice. Nimeiri, the former president of the country, authorized the disposal of American radioactive waste in Darfur and Kordofan provinces, but the U.S. military establishment's plans were frustrated by the April coup of 1985.
5. For the history of the "Eritrean problem," see SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, 1982, No 4, pp 31-32.
6. NEWSWEEK, 4 February 1985, p 22.
7. "Mezhdunarodnyy yezhegodnik: politika i ekonomika" [International Yearbook: Politics and Economics], Moscow, 1986, p 252.
8. THE WASHINGTON POST, 23 November 1984.
9. CHRISTIAN SCIENCE MONITOR, 7 October 1985.
10. T. Parfitt, "Operation Moses. The Story of the Exodus of the Falasha Jews from Ethiopia," London, 1985, pp 42, 65.
11. Ibid., pp 42, 65, 87, 94.

12. G. Hancock, "Ethiopia: The Challenge of Hunger," London, 1985, p 113.

13. "The Soviet-American Summit Meeting, Geneva, 19-21 November 1985," Moscow, 1985, p 28.

14. "Materialy XXVII syezda Kommunisticheskoy partii Sovetskogo Soyuza" [Materials of the 27th CPSU Congress], Moscow, 1986, p 175.

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8588

Post-Summit Reaction

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[Article by V.I. Bogachev: "After the Summit"; and Soviet-American public opinion poll]

[Text] Leading commentators on world affairs agree that the Washington meeting between CPSU Central Committee General Secretary M.S. Gorbachev and U.S. President Reagan was the most significant and important event of 1987. The high point of the meeting was the signing of the Treaty on the Elimination of Soviet and American Intermediate- and Shorter-Range Missiles. This agreement on real nuclear disarmament will undoubtedly go down in the history of international relations as a landmark in a prologue giving rise to the hope of a world without weapons and fear.

Interest in the Washington meeting was all the more enhanced because it took place at a time when revolutionary changes are being instituted in the Soviet Union, against the background of the events and new elements in its domestic life that are encompassed in the meaningful term "perestroika." Although international issues occupied the main place on the agenda for the meeting, glasnost, democratization, and perestroika in the USSR have had a direct effect on public opinion in the United States and have thus helped to improve the atmosphere at the talks.

The American mass media's attention was keenly focused on the summit meeting long before the Soviet leader arrived in Washington. The CHRISTIAN SCIENCE MONITOR noted: "Throughout November M.S. Gorbachev was featured in news reports almost every evening. Then TIME declared him 'Man of the Year,' devoting 14 pages, with color illustrations, to the Soviet leader who has set the task of carrying out perestroika...."

The Soviet delegation's 3-day visit to Washington and the CPSU Central Committee general secretary's meetings with representatives of the U.S. public and his

speeches, which were carried by radio and television, have dispelled many of the false ideas about the Soviet Union that were present in American minds.

It is no exaggeration to say that the very fact that a Soviet delegation paid a visit to Washington revealed more fully the potential for goodwill that existed on the part of the Soviet and American peoples and has thus helped to bring them closer together. According to the results of an opinion poll conducted by the LOS ANGELES TIMES 3 years ago, about 60 percent of Americans viewed the USSR as the "evil empire," but after the summit meeting almost 70 percent of respondents said that they did not believe this.

It stands to reason that American reactions to the Washington meeting were decidedly mixed. It had already become apparent before the beginning of the talks that influential opponents of an improvement in international relations were planning to oppose any mutually acceptable decisions on virtually the entire range of issues under discussion. Before the very beginning of the talks conservative extremists managed to "organize" a whole series of actions that were hostile to the USSR in the hope that this would spoil the atmosphere surrounding the talks.

They clearly instigated the publication of a report in Washington on 2 December containing fabricated charges of Soviet violations of arms control treaties 5 days before the Soviet delegation arrived in the United States. The right-wingers raised an outcry about the container trucks outside Gomel and Moscow, which, they argued, were "Soviet ABM radar systems" deployed in violation of the ABM Treaty. As THE WASHINGTON POST pointed out, the conservatives were seeking to demonstrate that "it is impossible to trust the Soviets enough to believe in their willingness to observe the provisions of a Soviet-American agreement on intermediate-range nuclear forces." The demonstration staged by Zionists in Washington and the fact that dushmans were received at the White House on the eve of the meeting had a patently anti-Soviet character.

The efforts made by conservative extremists to undermine American confidence in the USSR as a negotiating partner did not succeed. Evidently, in addition to everything else, they simply miscalculated the significance of the latest Soviet initiatives regarding monitoring and verification.

For decades official Washington aspired to the role of champion of the most stringent verification measures for the observance of arms control agreements. The issue of "on-site inspections anytime and anywhere" was a favorite instrument for achieving the sometimes improper goals of American policy. "The inadequacy of monitoring measures" was the United States' pretext for refusing to ratify the 1974 Treaty on the Limitation of Underground Nuclear Tests and the 1976 Treaty on Underground Nuclear Explosions for Peaceful Purposes. It was

also the pretext used by the American side for not going through with the negotiation of a complete ban on nuclear tests and for undermining the conclusion of an agreement on the prohibition of chemical weapons. For a year and a half the United States refused to join the Soviet moratorium on all nuclear explosions, citing the need for reliable and effective on-site inspection as the justification for its negative position.

During the discussion of a draft treaty on intermediate-range and shorter-range missiles, however, it turned out that the Soviet side was prepared to agree to more sweeping monitoring measures than the Americans. Washington instructed its delegation in Geneva to renounce a whole series of its proposals on monitoring the observance of an agreement. S. Nunn, chairman of the Senate Armed Services Committee, declared: "What happened during the closing stages was not so unexpected. The Soviets informed us that they would be prepared to go further by agreeing to inspections on request anytime and anywhere. We immediately made a concession by rejecting reliable monitoring, which we had demanded for years, in order to avoid similar inspections at facilities like our plants producing the Stealth bomber."

In the end, a mutually acceptable decision on sufficiently reliable verification measures was reached at the negotiations. The important thing here is not only that the conservative extremists' insinuations about the "closed" nature of Soviet society have been unmasked. Agreement on verification measures is of great importance for the future. After all, in the past Washington rejected treaties by using "the inadequacy of monitoring measures" as the justification for such decisions. In the case of the treaty on intermediate- and shorter-range missiles, the American side quite simply will not have this kind of pretext.

THE WASHINGTON POST expressed the view that the treaty on intermediate- and shorter-range missiles, which will permit dozens of on-site inspections, will "permanently change the very nature of arms control, and it might also change relations between the superpowers." Even former U.S. National Security Council official R. Pipes, known for his active opposition to all kinds of agreements with the USSR, called the conclusion of an agreement on monitoring measures a "gigantic step forward" which could have a "serious impact on Soviet-American relations."

Extreme rightwing forces have not abandoned the hope of wrecking the treaty on intermediate- and shorter-range missiles or at least emasculating the treaty by means of "killer amendments" when it is discussed by the Senate. THE WASHINGTON POST commented: "In their opinion, the more tension and friction, the better."

Former Director of the Arms Control and Disarmament Agency E. Rostow once called on Americans to resign themselves to the fact that they are living in a pre-war, and not a postwar, period and argued the "acceptability" of nuclear war insofar as "mankind is capable of quick recovery." After the Washington meeting, he called on people who hold the same views to fight the treaty on intermediate- and shorter-range missiles with all possible means: "delaying the treaty's submission to the Senate, delaying Senate approval, adopting an amendment linking the treaty on intermediate-range missiles to other negotiations, and holding up its ratification by the President once Senate approval has been received."

The most bellicose Pentagon circles are subjecting the treaty to sharp criticism because, by stipulating the elimination of American Pershing II missiles, it undermines the concept of a "limited nuclear war" in Europe. "Anyone who has heard former NATO Supreme Commander, General Rogers speak with such reverence about Pershing II missiles will immediately understand why the missile is the military strategists' dream.... Rogers and others believe that the Soviets would back down [ustupili by] if one of these missiles (with a flight time of 8 to 13 minutes to important targets in the USSR—V.B.) were to strike their territory," remarked THE WASHINGTON POST.

Meanwhile, J. Steinbruner, head of the foreign policy research program at the prestigious American Brookings Institution, noting that Pershing missiles were pre-emptive strike systems, declared that the treaty deals with the "removal of an extremely provocative weapon."

With regard to the ambitions of extreme right-wingers to bolster the now shaky foundations of the Pentagon's concept of a "limited nuclear war," Britain's FINANCIAL TIMES recalled that until now no one had succeeded in "compiling an acceptable scenario for the use of nuclear weapons." Commentators observe that trying to limit nuclear war geographically to Europe and to regulate the yield of the nuclear weapons used is as inconceivable as limiting the amount of damage caused by a lighted match dropped into a powder keg.

One of the conservatives' "arguments" against the treaty on intermediate- and shorter-range missiles is the possibility of the "decoupling" of U.S. military efforts from "Western Europe's defense interests" and the subversion of the NATO concept of "flexible response," because the elimination of American Pershing and cruise missiles will remove "important rungs from the ladder of escalation with respect to the use of nuclear weapons in the event of a conflict in Europe."

Many opponents of disarmament are counting on linking the ratification of the treaty to a unilateral Soviet reduction of armed forces and conventional weapons in Europe. THE WASHINGTON POST commented: "Republican presidential candidate Alexander Haig has

suggested that the United States stop removing its intermediate-range missiles from Europe halfway through the process, until such time as major agreements have been reached on strategic and conventional arms reduction." Right-wingers are also making demands for a sharp increase in nuclear weapons to "compensate for the gaps in the U.S. defense system resulting from the Washington treaty."

Although conservative extremists have accused R. Reagan of "abandoning" the ideals proclaimed at the Republican Party convention in 1980 by signing the treaty on intermediate- and shorter-range missiles, they have expressed approval of his position on Afghanistan. President Reagan is known to have called Kabul's program of national reconciliation unacceptable and to have announced that Washington would therefore give the dushmans assistance. Right-wingers want the ratification of the treaty to be linked to the unconditional withdrawal of Soviet troops from Afghanistan. London's GUARDIAN declared: "The Americans do not expect the Afghan problem to be settled quickly."

The American "Star Wars" program occupies a special place among the destructive tactics employed by the opponents of these new accords with the USSR.

We know that in the joint Soviet-American statement, the parties to the meeting in Washington noted significant positive advances in reaching the main objective, the reduction of the strategic offensive arms of both powers by 50 percent. In effect, they acknowledged that the completion of this task will be linked organically with the strict fulfillment of the obligations imposed on the USSR and the United States by the 1972 ABM Treaty. The joint statement reads: "With the preparation of an agreement on strategic offensive weapons in mind, the leaders of both countries have also instructed their delegations in Geneva to work out an agreement that would obligate the parties concerned to observe the ABM Treaty in the form in which it was signed in 1972...and not to withdraw from the ABM Treaty during the course of an agreed period of time."

Immediately after the summit meeting, however, some U.S. administration officials came up with a strange interpretation of this part of the agreement and even claimed that in Washington the USSR had abandoned its fundamental objections to the militarization of space. On the basis of this far-fetched pretext, right-wingers are now calling for stepped-up work on the "Star Wars" program.

However, the ABM Treaty, which the American side undertook to observe "in the form in which it was signed in 1972," is absolutely incompatible with the "Star Wars" program. The SDI will result in U.S. violations of almost all of the most important provisions of that treaty. For example, the ABM Treaty prohibits the deployment and testing of space-based ABM systems or

their components. Space weapons, however, are a fundamental strike component of the "Star Wars" program. The treaty prohibits the deployment of an extensive ABM defense covering the entire territory of a signatory, but that is exactly what SDI envisages.

Members of the U.S. administration are now declaring that as soon as an extensive space weapons system has been tested and is ready, it will be deployed without hesitation. Although this position is fully supported by the opponents of the treaty on intermediate- and shorter-range missiles, they nevertheless maintain that the ratification of the treaty will "strip the SDI of its essence." Conservatives are saying that the new Soviet-U.S. agreed approach to strategic arms reduction will weaken the arguments in its defense.

It would be wrong to underestimate the potential of the powerful opponents of the normalization of Soviet-American relations in the United States. They are unlikely to give up the struggle after the treaty has been ratified. It is highly probable that they will use new types of leverage to achieve their objectives in the near future. One thing is clear, however: In the past year the conservative extremists in the United States have experienced more defeats than victories in their struggle against arms control. This is one of the significant features of 1987.

Commenting on the evolution of the policies pursued by R. Reagan, who arrived in the White House with the firm intention of solving America's foreign policy problems primarily with the aid of strong-arm methods and who has now signed an important treaty with the Soviet Union on the elimination of nuclear weapons a year before the end of his term in office as chief executive of the United States, THE NEW YORK TIMES stressed that "the President has scored his highest successes in the budding dialogue and negotiations with the Soviet Union, but whenever Reagan has resisted pressure to display moderation, his policies have failed, and this is particularly evident in the case of his attempts to bring about the overthrow of the leftwing Sandinistas in Nicaragua." In the words of a WASHINGTON POST commentator, the outcome of the summit meeting "has given many Americans the hope of a more peaceful future." The Soviet people share this hope.

As M.S. Gorbachev noted, however, it is still too early to speak of a watershed in relations between the USSR and the United States. It will take colossal efforts to break through the thick wall of prejudice and hostile stereotypes. It would be impermissible, however, to retreat or to stop halfway in the struggle to bring about the victory of common sense in international relations. In our interdependent and integrated world there is simply no alternative to peaceful coexistence.

Soviet-American Public Opinion Poll

Shortly before the summit meeting in Washington, the APN in the USSR and the Gallup Institute in the United States organized the first joint Soviet and American public opinion poll at the request of NEWSWEEK magazine.¹ It revealed important positive changes in

public opinion in the United States and in the USSR. Judging by the responses, the majority in both countries wants better relations between the USSR and the United States.

The results of the poll are reprinted below.²

Questions	Answers	% of respondents in USSR	% of respondents in U.S.
1. Are you satisfied with the present state of U.S.-USSR relations?	Satisfied	16	47
2. How have USSR-U.S. relations changed in the last 5 years?	For the better	40	52
	For the worse	14	9
	No change	24	37
3. Are you interested in news about Soviet-American relations?	Very interested	84	36
	Not especially interested	14	49
4. How reliable is the information about the Soviet Union in the American press and in radio and TV programs?	Completely reliable	7	53
	Unreliable	77	42
5. How reliable is the information about the United States in the Soviet press and radio and TV programs?	Completely reliable	71	32
	Unreliable	11	60
6. Question for Americans: Do you feel that Soviet citizens as a whole are satisfied or dissatisfied with the political and economic system in their country?	Satisfied		34
	Dissatisfied		49
Question for Soviet citizens: Do you feel that the Americans as a whole are satisfied or dissatisfied with the political and economic system in their country?	Satisfied	40	
	Dissatisfied	29	
7. Do you have mainly positive or negative feelings about the people of the other country?	Positive	81	63
8. Do you agree that the other country's policy is peaceful and does not threaten the security of your government?	Disagree	80	71
9. Which country is now the strongest in the military sense?	United States	8	21
	USSR	10	22
	Approximately equal	54	49
10. Do you feel that your country should be militarily superior or that the United States and USSR should have equal military capabilities?	Should be superior	15	43
	Should be equal	71	50

Dear reader, how would you answer these questions? The editors would be grateful if you would send them your responses and indicate your age and occupation.

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8588

Footnotes

1. The poll in the United States was conducted by the Gallup Institute and was a telephone survey of 1,017 Americans. At the request of the APN, the Institute of Sociological Research of the USSR Academy of Sciences conducted the poll in the USSR and surveyed 1,000 people.

2. NEWSWEEK, 14 December 1987, pp 16-17.

American Opinion of USSR Economic Reform

18030007d Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 3, Mar 88 (signed to press 17 Feb 88) pp 46-52

[Article by M.V. Yershov and S.S. Stankovskiy: "Economic Reform in the USSR: Dialogue with Americans"]

[Text] The Soviet visit of a delegation from the Forum for American-Soviet Dialogue began with the traditional welcoming gestures, handshakes, smiles, and interviews.

This American youth organization has been in existence since the beginning of the 1970s. Its main activity is the organization of meetings between Soviet and American youth in conjunction with the Committee of Youth Organizations of the USSR. The first of these meetings was held in Minsk in 1972.

Contacts with broad segments of the American public allow the forum leadership to enlist the services of people of the most diverse occupations, political affiliations, and social origins. The 42 members of the American delegation which arrived in the Soviet Union for the 15th meeting last August included specialists from the Congressional Research Service, the Federal Reserve System, the U.S. International Trade Commission, the Rand Corporation, the Heritage Foundation, the Carnegie Endowment for International Peace, the National Academy of Sciences, THE WASHINGTON POST, and other influential organizations. All of them were experts on various aspects of Soviet-American relations. Their political views ranged from conservative, envisaging a tough line in relations with the USSR, to liberal, including a belief in the need to improve and develop bilateral ties.

Our side was represented in the debates in Kiev by representatives from the Committee of Youth Organizations of the Ukraine, young diplomats and officials from the Ministry of Foreign Trade, researchers from the Institute of World Economics and International Relations and the Institute of U.S. and Canadian Studies, journalists, and students and instructors from Moscow State Universities and other higher academic institutions.

In our official and unofficial contacts with the Americans, we became more and more aware of how similar and yet how different we are: how we were equally moved, for example, when we watched the Soviet documentary film "The Chernobyl Bell" and the American movie "Platoon" (about the war in Vietnam), how we were equally loud and enthusiastic in supporting our own teams in the traditional Soviet-American basketball game, which ended in the now almost traditional victory for the visiting team, and yet how differently we sometimes perceive the problems facing us and how diametrically opposed our assessments of the same events can be at times.

Soviet-American relations, arms control and disarmament, humanitarian issues, the role of the mass media, economic cooperation, the new political thinking, and other issues were discussed constantly, but there is no question that the main topic was the perestroika in the USSR, and not only because our dialogue took place only 2 months after the June CPSU Central Committee Plenum but also because the resolution of all other problems will depend largely on the success of perestroika.

What is the content of the projected economic reforms? What will promote or impede their successful implementation? Will these measures accelerate socioeconomic progress in the country? These are probably the central topics connected with perestroika in the USSR that were a matter of concern to all participants in the dialogue.

The most diverse views were expressed, short- and long-term predictions were made, and diverging opinions clashed, but the most important thing about the meeting was that the discussion took the form of lively debates instead of the simple declaration of the positions of the Soviet and American sides. The members of the American delegation did not insist that all of our objectives are unattainable. On the contrary, it seemed to us that they made a sincere effort to understand the changes in our country and evaluate the economic reform objectively. Furthermore, and even somewhat to our surprise, the more frankly we discussed our difficulties and unsolved problems, the more valid and constructive the Americans' statements became. The Soviet delegation certainly did not try to portray the perestroika objectives as something easily attainable. In fact, we tried to analyze the exact content of our economic reform along with the Americans, drawing distinctions between relatively simple and difficult tasks and assessing the prospects for our economic growth.

Which elements of USSR economic policy were of the greatest interest to the participants in the debates? They were primarily interested in the plans for the transfer to the full economic accountability of enterprises and production associations. In the opinion of virtually all of the members of the American delegation, the transfer to economic accountability will aid in enhancing the effectiveness of our economic mechanism. They said that the new law on the socialist enterprise represents a major advance in the use of economic methods of management. When the Americans analyzed this law, however, they tried to measure the degree of autonomy of self-funded enterprises with their own business yardsticks. For this reason, they said that the law as a whole was not "radical" enough. In their opinion, although today's economic reform will give enterprises considerable freedom, it overlooks the main issue of giving labor collectives an incentive to make use of technical innovations.

It seems that the Americans are both right and wrong. They are wrong because today's reform is aimed at making the income of the heads of labor collectives and of each member strictly dependent on the results of the given enterprise's operations. After all, the total wages of workers and employees will now come from the gross earnings of enterprises and associations. When we are able to put this idea in practice, this will certainly create strong incentives for the incorporation of new equipment.

Today, however, it is true that enterprises, and especially their managers, do not have this kind of incentive. The bitter irony is that many managers interpreted the goal of

stepped-up socioeconomic progress as a rise in gross operational indicators. The institution of innovations, however, usually necessitates the partial cessation of production, and this lowers the quantitative indicators of the work of labor collectives. The consumer is still not strong enough to force suppliers to produce the necessary equipment and guarantee its reliable installation and repair. The very existence of state inspection and acceptance agencies testifies that we still have to rely on administrative measures in regulating the quality of manufactured goods, but quality and the incorporation of new equipment will ultimately be the deciding factors. According to our calculations, the rise in labor productivity in 1986 was wholly a result of stronger labor discipline, the reduction of equipment downtime, and the improvement of management. The productivity of tools and machines, however, continued to decline, just as it had in the beginning of the 1980's. And this is not surprising. According to the reports of the State Committee of the USSR for Statistics, only 15 percent of the goods manufactured in 1986 were in the highest quality category.

Many members of the American delegation assumed that the expansion of genuine economic accountability in the USSR would be impeded by the threat of unemployment. In the opinion of Americans, it is possible to have either full economic accountability or full employment. It is here that our opponents are completely wrong. We still have to transfer industrial enterprises to a three-shift work schedule. There is a colossal manpower shortage in the service sphere today: Experts have calculated that the provision of the population of the USSR with consumer services meeting reasonable consumption standards will necessitate a threefold increase in employment in the service sphere. There is a great demand for rural educators, physicians, and cultural workers. The manpower made available by the institution of cost accounting everywhere will certainly find employment in the economy. For this reason, we can anticipate only the temporary unemployment of people released from their jobs by the more efficient operation of enterprises.

They will be assisted in their retraining and in finding new jobs by trade unions, sectors needing new manpower, and soviet agencies. The situation will differ fundamentally from what is happening in the capitalist countries. In the West unemployment means that able-bodied and qualified people who want to work cannot find jobs because the economy is incapable of employing all available manpower.

The American delegation's assessment of the idea of changing planning procedures was unequivocal. Judging by the remarks of participants in the dialogue, American experts on the Soviet economy regard the "democratization of planning" as an important advance not only in the development of cost accounting but also in the improvement of the quality of planning itself, because they feel that this will make the plans "more balanced."

Virtually all of the members of the American delegation, however, assumed that enterprises would still be subject to pressure from superior agencies. Because the objectives of stepped-up socioeconomic development produced an extremely intensive national economic plan for 1986-1990, central administrative bodies will either have to exert pressure on enterprises or be forced to admit that the 12th Five-Year Plan is unrealistic. In the opinion of the Americans, it is wrong to say that party leaders are responsible for economic results but prohibit their intervention in economic affairs.

In these statements we again see the well-known belief that true economic accountability and centralized planning are incompatible entities. There is also no consideration for the fact that party organs have been instructed to change their methods of influencing economic affairs by replacing administrative commands with economic incentives. Time will tell who is right. The Americans did, however, come up with some valid ideas. One was the idea of so-called control figures for the economic operations of the socialist enterprise. They should specify the size of profits, currency receipts, the commercial product, etc. The figures will not be binding but will serve only as a point of reference. But can they really be confined to recommendations? Will rayon city, and oblast party committees and ministries not exert pressure on the managers of enterprises, demanding the compulsory fulfillment of assignments recommended from above? If the control figures are set for each enterprise individually, this danger could arise. After all, in this case they will be quite similar to plan assignments, which have served as the traditional basis for performance evaluations of party organs and ministries. The control figures will serve as genuine points of reference in the production activity of enterprises only if they are set for the entire sector, and not for each individual production link. Furthermore, the number of indicators they encompass should be minimized.

The Americans commended the investment strategy we chose for the quickest possible replacement of obsolete machines and tools. It is a fact that the average service life of equipment in the FRG and France is 10 years, in the United States it is 12 years, but in the USSR it is 20 years! It is therefore understandable that capital should be invested primarily in modernization rather than new construction, and in the replacement of old facilities rather than their enlargement. The percentage of equipment to be withdrawn from production was doubled in the national economic plan for 1986-1990, and this should lead to the replacement of one-third of the machine tools in the country by 1990. According to American estimates, this will require an increase of 80 percent over the 1981-1985 figure in capital investments in machine building in the 1986-1990 period. They feel that Soviet plan assignments for capital investment growth are not high enough to reach this goal.

In addition, economic development in 1986 proved that it would take a great effort to fulfill the plan. The projected rates of renewal in industrial production were

not reached in 1986. The total number of facilities added to the production sphere was far below the planned figure: Actual growth of 6 percent as compared to the projected 14.1 percent. This indicates that the plans for the reduction of new construction and the completion of works in progress were not carried out as a whole. The actual amount of capital invested in retooling, however, increased more rapidly than planned: a growth rate of 17 percent as compared to the projected 11 percent. In other words, in 1986 we still had not been able to put an end to the growth of incomplete construction. If this trend continues in the next year or two, it could jeopardize the plans for the reorganization of industry, especially machine building.

The improvement of labor discipline, the dismissal of incompetent workers, the elimination of corruption, and the struggle against alcoholism were discussed at length. The Americans said that their meetings with Soviet people had given them the impression of public approval and support for these efforts. The members of the delegation felt that the "human factor" had apparently still not been used to its fullest and would influence the progress of the economic reform considerably in the near future. Today we are trying to improve the attitude toward work primarily through the people's belief that perceptible changes will occur soon. The social expectations of the people in connection with perestroika, however, far surpass the ability of the economy to satisfy these expectations. For this reason, as the majority of Americans correctly noted, the continued promotion of perestroika by the "human factor" will necessitate the perception of real results by the laboring public. Whereas in the first stages of perestroika the enthusiasm of the population provided the momentum for economic reforms, now only the success of these reforms can bring about a serious change in the attitude toward work, the way of thinking, and the political activity of people.

It is true that the current situation is quite serious. The supply of consumer goods is increasing much more slowly than the average wage. In combination with the reduction of alcohol sales, this is leading to the rapid growth of public savings—that is, to the postponement of unsatisfied demands. As a result, lines in the stores are still long and prices in the marketplace, and even prices outside the marketplace, are rising. For this reason, if the people in all parts of our country do not see the results of reforms in their daily life, the very idea of perestroika could be discredited.

It is probable that the most realistic way of letting the people experience the positive results of economic reforms today, right now, would consist in throwing aside all hesitation and indecision and giving a green light to cooperative enterprise, individual enterprise, and the family contract in the service sphere, retail trade, cottage industry, and agriculture. This would not require any financial expenditures but would have a tremendous impact. Today's cautious approach and the gradual introduction of these forms of activity, justified with

references to the shortage of facilities, the unfinished work on financial accounting procedures, and so forth cannot have any positive results. The establishment of cooperative enterprises in negligible numbers—i.e., without any real competition between them—gives their owners unjustifiably high earnings and irritates the population: After all, the shortage of consumer goods and services is not being reduced but prices are "cooperative."

Speakers noted the positive influence of the restructured management of foreign economic relations on the reform of the entire economic mechanism. A particularly beneficial effect was produced by the renunciation of the surplus principle in the allocation of resources for export and the authorization of several enterprises, ministries, and departments to enter the world market autonomously. It is true that this right still extends primarily to the producers of machines and equipment, whose exports constitute only a negligible part of our sales to the United States, and that the reform will not have a perceptible effect on Soviet-American trade in the near future. We were not too surprised by the Americans' skeptical remarks about the new form of economic cooperative represented by joint enterprise.

In their opinion, there are two main reasons for the restraint of American corporations in this sphere. First of all, when joint firms are organized, the Soviet side tries to arrange for the production of technically advanced items with the aim of their subsequent sale abroad. The Americans, on the other hand, see joint enterprise as a means of filling the Soviet market with obsolete goods for which there is no demand in the world market. For this reason, they are not pleased by the rule confining the amount of joint enterprise profit transferred abroad to the amount of export revenue. For example, K. Tomlinson, who represented the U.S. International Trade Commission at the meeting, stressed that it is this profit repatriation mechanism that Western firms see as the greatest drawback. In the second place, Americans are wary of the USSR's demand that the Soviet side control 51 percent of the capital stock. The president of one California company who attended the meeting, J. Behr, said, for example, that "businessmen need profit guarantees. As a businessman, I see these terms as a threat to our interests."

As far as the first consideration is concerned, the condition we have set is extremely important to us. We are establishing joint enterprises for the purpose of acquiring advanced technology with minimum expenditures of currency. If an enterprise is not geared partially to the foreign market and does not generate currency receipts, the transfer of profits abroad by our foreign partners will lead to a net outflow of currency reserves from the USSR.

It does seem, however, that the requirement regarding the control of at least 51 percent of the stock could be relaxed. Because the joint enterprise will be established

and will operate in accordance with Soviet laws, we do not have to worry that some of its operations might be contrary to our interests. An export orientation can be secured adequately by legislation linking the amount of profit transferred with the enterprise's export revenues. The procedure for the transfer of modern technology could be recorded in contracts. Furthermore, when contracts on cooperation are being negotiated, the Soviet side is free to choose the particular fields in which the latest technology is absolutely essential.

Members of the American delegation expressed the opinion that our foreign trade could encounter serious difficulties in the near future in spite of the reform of foreign economic ties. Because of the urgent need to modernize machine building, we obviously cannot afford any substantial reduction in our imports of Western machinery and equipment. It is possible that we might even have to increase them. In this case the Americans are right. They are also right in their assumption that if we cannot increase the proportional amount of manufactured goods in our exports soon, we will experience a growing shortage of hard currency. As a result, we will have to either reduce imports or go into debt. To avoid facing this dilemma, we will have to be bolder in granting enterprises the right to sell their goods autonomously on the foreign market. Many machine-building enterprises already have this right. We must increase their number, minimize the obstacles keeping exporters from using the currency they earn, and display greater flexibility in the organization of joint enterprise. We must also institute sound currency standards to stimulate exports and prevent unnecessary imports.

After analyzing our reforms and the factors that might contribute to them or, on the contrary, complicate them, the Americans arrived at the following conclusions with regard to the economic prospects of the USSR. In their opinion, there is no question that we will be able to surmount the decline of economic growth rates. This can be accomplished merely by changing public attitudes toward labor, improving planning practices, and concentrating capital investments in civilian machine building. The achievement of higher growth rates in the 1990s, however, will necessitate the modernization of the scientific and technical base of machine building. This, in their opinion, will be impossible unless enterprises are granted "genuine freedom" on the basis of private enterprise. Because our reforms do not envisage this, the Americans concluded that we will be unable to reach our long-range objectives. Their quantitative assessments were based on the SOVSIM econometric model of the Soviet economy. According to their calculations, the rate of our economic growth in the 1990s will be no higher than 3 percent, as compared to the plan figure of 5 percent.

Of course, only the future can answer questions about our growth rates. Information about the results of national economic development in the first 8 months of

1987, however, indicates the completion of plan assignments. The plan was also fulfilled in 1986. Of course, this does not mean that we can relax. Although the plan as a whole was fulfilled, there were incomplete assignments in some sectors. The percentage of contracted delivery plan fulfillment is still too low. But after all, long-term delivery contracts should be the basis of interrelations between enterprises. As far as modeling techniques are concerned, they are conditional in general, especially in view of the methodological defects of the model in question. The main flaw is the use of the last decade's relationships between production growth, capital investment, and employment. It is precisely these relationships that are changing today. It is wrong to use them in forecasts.

The Soviet delegation did not feel compelled to argue with the Americans about the future. We had a different aim. We tried to prove that the period of stagnation had come to an end in the USSR. Our current assignments for the acceleration of socioeconomic development are difficult but possible. The Soviet people are proud of what is happening in our country today, but we realize that most of the work still lies ahead, and we explained this to our American colleagues.

When the meeting was over the delegations went their separate ways. We went to Moscow and the Americans went to Tallin and Leningrad, pleased with the results of our businesslike and constructive dialogue. All of us knew that it would not be the last meeting of this kind. After all, now that major changes are taking place in the socioeconomic life of the USSR and the United States and now that the relations between our countries are finally being improved, many interesting events will occur, difficulties will arise, and bold new ideas will be conceived. Discussions of these will be important.

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8588

Canadian, Soviet Views of Joint Enterprises

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[Canadian opinion expressed by Linda Sjoman, president of Kendrin House, a trade firm, Christian Yoder, managing director of the firm, and Jack Nodwell, president of Canadian Foremost, a company with many years of positive experience in trade with the USSR (the headquarters of both companies are located in Calgary, Alberta); and Soviet response to Canadian opinion by Vladimir Nikolayevich Zhukov, candidate of economic sciences and general director of the Sovintersport All-Union Foreign Trade Association; first paragraph is SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA introduction]

[Text] The development of joint ventures (with foreign capital) on the territory of our country has become part of the reform of the system of Soviet foreign economic

relations. This is something new and unfamiliar to both the Soviet and the foreign partners and it is naturally giving rise to many disputes and apprehensions. Frank dialogue is the best way of settling ambiguous and controversial matters. The editors are publishing two views of the problem—the opinions of three Canadian businessmen and a Soviet expert on joint ventures.

Canadian Opinion

Canada is just as interested as the rest of the world in the economic reform in the Soviet Union. Canadian businessmen are becoming more and more aware of the broader opportunities for entrepreneurial activity in this country. Lately their attention has been focused on the decree of the USSR Council of Ministers of 13 January 1987 "On the Procedure for the Operation and Establishment of Joint Enterprises on the Territory of the USSR with Participation by Soviet Organizations and Firms in Capitalist and Developing Countries."

From the Canadian businessman's vantage point, the idea of establishing joint enterprises with partners from the Soviet Union is appealing and warrants serious consideration. The idea is also viewed with caution and even skepticism in our country, however, because it is not easy to surmount cultural, political, and economic barriers for the purpose of mutual gain.

There are two reasons why Canadian businessmen worry about the prospect of joint ventures with Soviet partners. The first is the distinctive nature of the trade system in the Soviet Union. Many of its elements seem too complicated to a foreigner. And although General Secretary Gorbachev's impressive initiatives in the area of restructuring should make it easier to do business with the Soviet Union, the new system has not acquired distinct outlines yet.

Some of the provisions of the law on joint ventures are the second reason for our apprehension. Canadian businessmen are accustomed to initiating and conducting business operations on terms that are more or less clear from the legal standpoint, but some aspects of the new Soviet law on joint ventures arouse confusion and doubts.

Soviet Trade System

For the Canadian businessman considering the establishment of a joint enterprise in the USSR, the size and complexity of the Soviet trade system, with which he will have to do business, present a serious problem. In Canada commercial operations are usually planned with a view to several unconditional basic premises, which might appear to be incompatible with conditions in the Soviet Union. One of the basic premises guiding the actions of the Canadian businessman doing business in Canada is his right to judge the demand for his product, put it on the market, and take measures to expand this

market within the clear and specific limits set by government regulations. There is no guarantee of success in the marketplace, but the businessman does have the guaranteed right to strive for success.

When economic activity is planned by the state, as it is in the Soviet Union, unimpeded access to the market might not exist. This evokes serious doubts in the Canadian businessman. Let us assume that he has a product which he believes to be practical, necessary, and scarce in the Soviet Union. This item, however, might not fit into Soviet plan objectives or priorities. How can he secure a connection between his product and Soviet plan objectives? This is a difficult problem. He cannot act according to his customary ideas about unimpeded access to the market. Instead, he must begin acting in accordance with a new and unfamiliar premise. In essence, this is a situation in which countless organizations regulate what the businessman regards as access to the market and the patterns of its development. He must determine how the control over access to the market is divided among these organizations and learn how to apply to them for everything he needs in order to succeed.

If a businessman in Canada wants to determine the degree to which his business operations are subject to regulation, he has two guaranteed ways of doing this. First, he can read unclassified official documents. Second, if the legality of government actions seems questionable, he can challenge them in court. These two methods give him reliable information and clear interpretations of it. The problem encountered by the Canadian businessman doing business in the Soviet Union consists in learning how to acquire equally reliable information from Soviet official agencies and how to challenge decisions with which he does not agree. Is there any reliable and generally accessible information about the organizations engaged in trade and their authority? Are the administrative decisions of trade organizations subject to judicial review?

The acquisition of authoritative and reliable information might seem difficult in view of the dimensions and complexity of the Soviet trade system and in view of the current process of its complete restructuring. Some positive changes, however, have taken place in this sphere. One of them is the Chamber of Commerce and Industry's new consulting center. If this agency turns out to be effectual, it will be used on a broad scale and its basic principles will be adopted by other trade organizations. Information about the decisionmaking process and the telephone numbers of officials responsible for the administration of economic operations will be extremely useful to Canadians hoping to invest their capital in the Soviet economy after the economic reform.

Decree on Joint Enterprises

There are many relevant facts connected with the decree of 13 January 1987, but in this article we will discuss only the main issue of the motives lying at the basis of

joint ventures and some specific matters—the assessment of the percentage of capital invested, the conversion of money from one currency to another, profits, and labor regulations. This is only a small part of the many problems facing the businessmen hoping to participate in joint ventures in the Soviet Union.

Motives for Joint Ventures

From the Canadian point of view, profit is the motive for this kind of enterprise. Private individuals and organizations in Canada will invest their money in an enterprise only if it will produce an acceptable income in the foreseeable future. Corporate capital in our country is formed in two ways, each of which necessitates forecasts of the anticipated profit on investments. The first method is security financing, in which investors buy shares of company stock. These investments are usually described as "ventures": Shareholders invest their money in the belief that the corporation will make a profit and, therefore, that they can expect income in the form of dividends and an increase in the value of stocks.

The second method Canadian corporations use to acquire capital consists in borrowing from credit establishments. Before the credit establishment extends a loan, it might require shareholders or management to determine what percentage of the stock the loan will cover. It usually also requires the loan to be secured with company stock, so that the stock can be sold in the event of non-payment of the debt and the loan can be repaid at least in part. Just as in the case of security financing, in this method the lending institution will require information about projected profits.

This clearly indicates that before a Canadian corporation can decide to establish a joint enterprise in the Soviet Union, its shareholders and creditors must be certain that the enterprise will make a profit.

There are three ways in which Canadian corporations interested in joint ventures in the Soviet Union could earn income. The first presupposes that the Soviet Union has certain goods which are not being sold on the Canadian market and which will be exported to Canada through the joint Soviet-Canadian enterprise. Second, the Canadian corporation could organize joint ventures on Soviet territory for the purpose of earning profits in foreign currency—for example, by remodeling a hotel to serve mainly foreign tourists. Finally, the Canadian company could establish a joint enterprise in the USSR for the Soviet market and markets in third countries. It is this possibility that is considered most frequently by Canadian corporations. This is also the most difficult method for Canadian businessmen because access to the Soviet market is crucial in this case. The idea of joint ventures is tempting, but there are two permanent doubts which must be eliminated before Canadians will agree to the establishment of joint enterprises: the doubts about a sufficiently predictable profit margin and, consequently, about direct access to the market.

Assessment of Invested Capital and Currency Conversion

The decree on joint ventures envisages proportional investments in the capital stock of the joint enterprise, including buildings, installations, equipment, and other physical property, the right to use the land, water, and other natural resources, and other property rights (including the right to use patents and expertise), and payments in freely convertible currency. According to the decree, the Soviet side's share is to be assessed in rubles with a view to world market prices. The foreign partner's share will be assessed by converting the amount of foreign currency into rubles in accordance with the official exchange rate of USSR Gosbank on the date the agreement is signed.

In Canada the assessment of property is a difficult matter even under the conditions of the standardized system of calculations familiar to both partners and the relatively easy access to enterprise balance sheets. In a situation in which the assessment of property is based on two different systems with diametrically opposed points of departure, on the other hand, there is a hidden problem. The success of joint ventures will depend on the establishment of a standard system acceptable to both sides for the assessment of initial and subsequent capital investments. The Soviet Constitution prohibits private ownership of the land and means of production. For this reason, any assessment of Soviet investments in the joint enterprise will not necessarily be expressed in world market prices based on Western ideas of property. Furthermore, if the Canadian partner supplies the means of production for an enterprise on Soviet territory, he will be worried about losing his ownership rights to them. If he has no property rights, the value of his enterprise could be diminished in the eyes of creditors, and this would have a negative effect on his ability to participate in joint ventures.

The decree on joint ventures stipulates that the monetary contribution of the foreign partner should first be assessed in the same way as the Soviet contribution and then converted into rubles. In the Western world the exchange rate of the ruble seems too high in relation to other currencies. For this reason, when the foreign partner's share is converted into rubles, the part invested in monetary form might be reduced in comparison to the Soviet partner's share. There are no fixed exchange rates in the Soviet Union, and the Canadian partner will therefore be dependent on what he might regard as an arbitrary and fluctuating rate of exchange. As a result, exchange rates might not be in his favor when he wants to withdraw his capital from the enterprise (assuming that he will even have this option).

The decree envisages the return of capital in the event of the curtailment of operations, but the provisions of the decree with regard to this matter are vague and uncertain. First of all, the decree stipulates that the enterprise

can be liquidated only by the means recorded in documents on its formation or by a decision of the USSR Council of Ministers, if its operations do not correspond to the stated goals in founding documents. It does not appear that the foreign partner will be involved in making the decision on the liquidation of the enterprise. There is no clear stipulation that the Canadian partner can withdraw from an unprofitable venture. In the opinion of Canadian businessmen, an acceptable mechanism for the curtailment of the operations of the joint enterprise will become a crucial part of negotiations.

If the joint enterprise should be liquidated by a decision of the USSR Council of Ministers, the decree envisages the right of the foreign partner to withdraw his share in money or goods in accordance with the remaining value of his investment at the time of liquidation on the condition that he has fulfilled all of his obligations to Soviet partners and third parties. We repeat, however, that this is connected with the problem of property assessment and the problem of exchanging currency and removing funds from the Soviet Union. The foreign partner must be certain that his initial investment will be recorded properly in currency and then in rubles and that it can be converted back into the foreign currency and taken out of the Soviet Union in the event of the liquidation of the enterprise. This also raises questions about the additional investments made after the joint enterprise begins operating. Will the foreign partner recover these investments?

Profit

The decree guarantees foreign participants the right to transfer their share of the profits abroad in foreign currency. It also stipulates that the unspent earnings of foreigners can be transferred abroad. Canadian businessmen have no problems with these provisions. The third point, however, says that all of the joint enterprise's expenditures in foreign currency, including the payment of profits and other sums to foreign partners and specialists, must be secured by sales of the products of the joint enterprise on the foreign market. This means that although foreigners have a guaranteed right to take their share of the profits out of the country, this right will depend on enterprise income from sales on foreign markets. This will put the Canadian partner in a precarious position. Canadian businessmen would like to be able to export all of their profits, regardless of their source.

Labor and Management

Canadian businessmen planning joint ventures with Soviet partners will have to consider the establishment of labor relations corresponding to their interests and the institution of the appropriate administrative policy. A crucial part of this is the right to decide how many workers will be needed for the successful operation of the facility, how much these workers should be paid, and who these workers will be. The size of the staff could be

a decisive factor as far as profits are concerned. Workers in Canada can be dismissed for several reasons, from a shortage of work to low productivity. Even an outstanding worker could lose his job if production is curtailed for reasons beyond the company's control. Besides this, workers who do not meet production requirements can be dismissed. The Canadian businessman is inclined to believe that this kind of administrative policy is also essential for the successful operations of joint enterprises in the Soviet Union. He is worried about the decree's stipulation that the chairman of the board and the general director of the joint enterprise must be Soviet citizens. This, however, would promote good relations between the joint enterprise and Soviet official agencies and it therefore seems acceptable, but the Canadian businessman would want to know the kind of policy the chairman and director intend to pursue in labor relations.

Officials in the Soviet Union must be prepared to explain the Soviet system of management in detail. The Soviet side should be able to explain the existing labor policy in the USSR in detail. In particular, they should concentrate on wages and dismissals. The provision of this kind of comparative information will be essential for the creation of the atmosphere of certainty that will be so necessary to both sides before any joint venture can be undertaken.

Therefore, many questions must be answered before any joint Soviet-Canadian enterprise capable of operating successfully for many years can be established. Constant productive communication between the two sides could be the most important element of success. Obviously, the individual problems discussed in this article will not necessarily be decisive in mutually beneficial Soviet-Canadian cooperation in the organization of joint enterprises, but their establishment will be a difficult and interesting undertaking. We hope that Canadians and Russians acting on the best motives will begin solving these problems in the next few months. Both sides have something to gain from this.

Response to Canadian Partner

The view expressed by the Canadian businessmen on joint ventures in the Soviet Union is essentially based on an analysis of the USSR Council of Ministers decree of 13 January 1987. It is true that this resolution does provide real opportunities for the negotiation of joint ventures with Western partners and is of definite historic significance.

This is essentially the second such precedent in the history of our state. We should recall the plans of V.I. Lenin and the legislative acts of the young Soviet republic with regard to concessions and joint stock societies in the 1920s. Because of historical circumstances, however, these ideas were not implemented in their entirety at that time. The Soviet state had other urgent tasks to perform.

Today, on the threshold of the 1990s, the idea of joint ventures on the territory of the USSR is again being implemented vigorously as a result of the overall democratization of Soviet society. It is also a reaction to the criticism voiced by overseas partners about, for instance, the fact that mixed companies with Soviet participation operate in different fields in the West,¹ while in the Soviet Union there have been no such enterprises in any branch until recently.

We must say, however, that mixed companies abroad with participation by Soviet capital perform more of a mediating function, mainly in trade, and rarely take part in production or scientific activity. The Soviet Government decree of 13 January 1987 will give a foreign partner much broader rights than our own foreign trade organizations and enterprises abroad.

We must admit, however, that some of the Canadian businessmen's remarks about the decree are correct. Although this act was drawn up after a detailed summarization of the experience of capitalist and some socialist countries, it does contain some vague provisions, and sometimes it even leaves room for ambiguous interpretations or outright misinterpretation. This kind of uncertainty is what worries potential partners, particularly in view of the need, which was correctly pointed out by the Canadian authors, to surmount psychological as well as economic barriers. Obviously, the act itself was drawn up in the nature of a "framework," and the government which passed the law believed that subsequent experience might necessitate the correction or amplification of various provisions.

The most serious doubts of the Canadian side are connected with the procedure for the establishment and liquidation of joint enterprises. This is quite understandable. This question has already been answered, however, because the new decree of the CPSU Central Committee and USSR Council of Ministers of 17 September 1987 "On Additional Measures To Improve Foreign Economic Activity Under the New Conditions of Economic Management" says, for example, that the establishment of joint enterprises is now within the competence of Soviet ministries and departments. Because many of the ministries and departments in our country operate on the foreign market through their foreign trade associations, negotiating contracts on their behalf, Soviet and foreign partners will certainly be able to reach compromises on all legal questions, including the remaining value of their investments. Agreements on the establishment of enterprises will be signed only after this has been done.

We cannot understand why the Canadians are apprehensive about the complexity of the Soviet foreign trade system, which allegedly will interfere with the assessment of the situation on the Soviet market. I would like to make the following observations in connection with this. Joint enterprises are established in the USSR mainly for two purposes. First, for the manufacture of

goods to be sold in third countries. In this case, Canadian firms can use their traditional channels of information. Second, for the production of goods for which there is unsatisfied demand in the Soviet Union. In this case the apprehensions of the Canadian businessmen are completely unfounded because numerous surveys, including the publications of large institutes and foreign banks, clearly indicate the particular goods that are in short supply in the Soviet Union.

As the author knows from his own experience, for example, the output of sportswear, footwear, and accessories could be increased tenfold in the USSR, and the Soviet side is willing to establish more than 10 joint enterprises within our country. Of course, we are most interested in gaining partners who can offer us expertise and technology meeting the highest world standards, especially since the decree of 17 September 1987 allows "the payment of part of the profits and other funds transferred abroad by foreign participants in joint enterprises in the form of the appropriate currency or goods specified in agreed terms."

The new act will also remove some of the Canadian doubts about methods of assessing proportional investments. By agreement, the participants in the joint venture can now assess their shares of capital stock in Soviet or foreign currency. For this reason, the Soviet share can be calculated in rubles while the foreign share can be calculated in the partner's national currency.

The question of differences in national methods of assessing capital is justifiably brought up in the article, but Canadian businessmen also encountered this problem in other countries, such as the United States, Western Europe, and Japan. Nevertheless, the partners will find ways of solving this problem. This matter can now be settled by the partners themselves, and they will be able to reach a compromise if they sincerely want to.

Of course, we must agree with the Canadian experts that property assessment is a difficult matter even under the conditions of a standardized system of calculations familiar to both partners and that this could give rise to serious disagreements and difficulties because, for instance, land is not sold to private enterprises in the Soviet Union. In this specific case we believe that the land will be leased to the joint enterprise by the government for a specific period of time, but provisions of this kind will probably require further elucidation by legislators.

Are the Canadians justified in worrying about their ownership rights to invested means of production? We can say this in response. First of all, the means of production contributed by the foreign partner will now be assessed in his own national currency. Second, because he will be an equal partner in the joint enterprise, he is guaranteed the currency equivalent of his share if the enterprise should be liquidated or should operate at a loss. The return of the equipment to the

foreign partner is not prohibited either. It is clear, however, that the non-convertibility of the ruble and its exchange rate could have an adverse effect on some aspects of the joint enterprise's operations.

The Canadian authors' observations seem sound in their remarks about the indefinite provisions governing the manner and currency in which the foreign partner's profits will be transferred out of the country if the enterprise should be geared to the Soviet market and manufacture goods which are in short supply in the USSR and which must be purchased on the foreign market. It is obvious that this matter also requires additional explanation because it is not only the Canadian side that has raised the question.

In general, the Canadians' questions about the assessment of proportional investments, the distribution of profits, and the transfer of funds could have a radical solution if a convertible currency were to be instituted in the Soviet Union. This is one of the objectives of the economic and social development of the USSR, but it will take time. During the initial stage the partners can base their financial relations on local par exchange rates. What does this mean? For example, in the case of the construction or remodeling of a hotel for foreigners, the draft budget and cost estimates will be compiled in world and Soviet prices, as will estimated material and technical requirements, in accordance with the partners' shares. Comparing and contrasting these estimates will produce local indices of commensurate currencies for a small group of means of production: construction equipment, hotel equipment, construction materials, parts, and components. If this information is fed into a computer, the local par exchange rate of the Canadian dollar to the ruble can be derived quickly and can also prove to be useful in the future—for instance, in determining promising fields of joint activity.

The initial experience following the publication of the decree of 13 January 1987 proved that the negotiation of joint ventures necessitates constant contact. The procedure for the issuance of visas was complicated and lengthy, however, and this caused delays in the negotiations. The new decree of 17 September 1987 simplified the procedure and shortened the amount of time required for the issuance of visas to foreign citizens visiting the USSR for the purpose of trade, economic, scientific, and technical cooperation and to Soviet citizens going abroad for the same reasons.

The Canadian businessmen's statement that profit is their chief motive for joint ventures is quite understandable. It is also a decisive factor for Soviet partners. This is why the Canadians' worries are understandable to the Soviet side.

Reports of the consideration of major joint ventures in the Soviet Union with participation by Canadian capital testify that the skepticism of these Canadian authors is not shared by other Canadian firms. In particular, the

author knows from his own experience that the Siabeco Group is participating in the establishment of several joint plants in the USSR for the processing of agricultural products and the manufacture of clothing, including sportswear, and in the construction of hotels in Moscow and a large health and athletic complex (or club) for foreigners living and working in the capital. The last of these projects has aroused great interest and a particularly positive reaction from representatives of foreign embassies and accredited firms, because the number of foreigners living in Moscow has reached 20,000 and is still rising rapidly. Most of them have no opportunities for normal leisure and recreation. This project is expected to take 2 years and to cost tens of millions of dollars.

It is clear that before this Canadian firm agreed to participate in the projects, it drew up detailed documents stipulating its rights and obligations and that it had a generally positive opinion of its prospects in light of the new legislation on joint ventures in the USSR. Naturally, the firm involved large Canadian banks and other lending institutions in the projects, and its assessment of the market indisputably proved to it and its creditors that its main motive—to make a profit—could be satisfied.

We can agree with the authors of the article that there are several commercial situations in which Canadian corporations could make a profit from joint ventures in the Soviet Union. The example of the Siabeco Group fits the second and third situations. It proves that the difficulty of assessing profitability is easily surmounted when there is sufficient patience and persistence on both sides.

The Canadian businessmen say that unimpeded access to the market might be impossible in an economy where all operations are planned by the state. This actually testifies to their insufficient knowledge of the Soviet system of planning and the dynamic changes in it. Many recent regulating documents, as well as the law on the state enterprise, which became one of the decisive factors in the continued development of the Soviet economy on 1 January 1988, clearly state that the old method of planning on the basis of past accomplishments is becoming obsolete. Now the traditional planning "from above" will apply to only a few priority sectors (mainly through state contracts). All other planning will be based on enterprise plans. In other words, as speakers noted at the June (1987) CPSU Central Committee Plenum, the basis of planning will consist of the plans of enterprises (or associations), and the focal point of perestroika will be the move to economic methods of planning enterprise operations. For this reason, the Canadian businessmen's fears that their products might not fit into plan objectives and priorities are unfounded. After all, no ministry or association will establish a joint enterprise for the manufacture of products not included in its plans.

Furthermore, the Canadian authors' assertion that the large number of organizations regulating the market will make it difficult to determine the exact distribution of

regulating functions among them is easily refuted because they will have a competent Soviet partner who knows the market and will be responsible for this sector in the joint enterprise. Besides this, as the Canadian authors admit, the consulting center of the USSR Chamber of Commerce and Industry has proved to be an effective and useful mechanism for potential foreign investors.

Our Canadian colleagues see the issue of labor relations in joint ventures as a serious concern. It is true that the differences in the labor laws of the countries and in wages are so great that it will not be easy to find a system of management corresponding equally to production skills and production organization methods in Canada and in our country. Experience has shown, however, that when the workers and managerial personnel of enterprises and construction sites in the USSR are paid the right wages and when the labor collective has an incentive to make a profit, the results are highly productive labor and good product quality.

The demand for the further drafting of labor legislation for Soviet and foreign specialists employed by joint enterprises is interesting. At a time of fierce competition in world markets there is no question that the successful and efficient operation of an enterprise will depend largely on the productivity of labor, on the effectiveness of each person's work, and on wages. For this reason, it would be best to give the board of directors and management sweeping powers in the hiring and firing of manpower for low productivity and as a result of more efficient production.

In connection with this it will probably be necessary to consider the conclusion of an annual labor agreement with each worker, envisaging all of these aspects. This was done by joint enterprises in Spain and aided in strengthening discipline and enhancing labor productivity.

Apparently, other legislative restrictions which the Canadian authors do not mention but which have been subjected to thorough analysis by various foreign firms should also be reconsidered. In particular, it is hardly necessary for the Soviet partner's share to be at least 51 percent now that the experience of, for example, the Sovispan, Madeiras Russas, and Sokimeks mixed companies in Spain, in which the share of both sides has been 50 percent, has proved that a company will operate successfully in the presence of the mutual interest of partners. By the same token, other mixed Soviet-Spanish companies in which the partners' interests diverged have been dissolved.

These restrictions have already been lifted in some socialist countries. In 1988 they were joined by Poland, which plans to allow Western partners to control the majority stock in joint enterprises. Experience has shown

that this kind of restriction has caused many large firms in the United States, Western Europe, and Japan to take a negative view of joint ventures.

Besides this, I feel that the stipulation that the general director and chairman of the board must be Soviet citizens and several of the restrictions on the work of foreign specialists are impeding the establishment and normal functioning of mixed enterprises.

It would probably be best to have two general directors—Soviet and foreign—at first. Decisions on enterprise development strategy should be made by a shareholders' council, made up of a few representatives of each side (at least three or four specialists in commerce, banking, etc.), convened annually or in special cases. The author's own experience working as the Soviet general director of a joint stock society convinced him of the expediency and effectiveness of this practice, because both partners can then be certain that they control the everyday activities of the enterprise and long-range development trends.

We should take it as an important sign that although intentions to establish mixed enterprises are abundant, the number of actually functioning enterprises of this kind can be counted, metaphorically speaking, on one's fingers. At the same time, at the end of 1987, for example, there were already more than 2,000 joint enterprises in the People's Republic of China, 275 in Yugoslavia, and more than 100 in Hungary. Furthermore, most of them did not make their appearance until after the corresponding laws were simplified. In the PRC, for example, enterprises which began operating recently and are having currency difficulties can sell all or part of their products on the domestic market for foreign currency for the purpose of replacing imports.

In conclusion, please note that the author has no illusions about covering all of the problems involved or about the absolute truth of the remarks he makes. He regards this discussion as a contribution to the debates on joint ventures in the USSR. This kind of exchange of opinions is necessary for the further improvement of Soviet legislation in this sphere, the surmounting of difficulties, and the elimination of the fears of foreign and Soviet partners.

Footnotes

1. For example, in forestry, the petroleum and chemical industries, machine building, and banking: Moscow Narodny Bank and the Nafta Company in Great Britain, Russkiy Les in several countries, Sovispan and Sokimeks in Spain, and others.

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Review of U.S. Book on Nuclear Strategy

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[Review by Lev Semenovich Semeyko, doctor of historical sciences and leading researcher at the Institute of U.S. and Canadian Studies, of book "Nuclear Fallacy. Dispelling the Myth of Nuclear Strategy" by Morton H. Halperin, Cambridge (Mass.), Ballinger Publishing Company, 1987, 173 pages: "Criticism of U.S. Nuclear Strategy"]

[Text] "Nuclear Fallacy. Dispelling the Myth of Nuclear Strategy," a book by Morton Halperin, the well-known American expert on politico-military affairs, is worth reading not only because the author has written much about security issues, their military aspects, and their foreign and domestic policy ramifications and knows his subject well. At the end of the 1960's he was deputy assistant secretary of defense and was on the staff of the National Security Council. Many of his ideas came to him later, when he was the director of the Center for National Security Studies in Washington. The ideas expressed in this book are the product of long and thorough consideration.

The author discusses the threat posed by the obsolete idea of the role of nuclear weapons in politics—what he quite justifiably calls the nuclear fallacy of postwar U.S. administrations. And he is not alone in this opinion. The book is based on ideas discussed in the 1980s by a working group created jointly by the New World Foundation and the Center for Nuclear War Studies. Before the book was published, many prominent experts read the manuscript and suggested additions and corrections—M. Bundy, G. Rathjens, J. Ruina, L. Segal, D. Ellsberg, F. Von Hippel, and others (p viii). The result is an interesting and purposeful study in which a discerning review of past American nuclear strategy is combined organically with an analysis of several aspects of its current status. The eight chapters of the book are unified by the attempt to refute a strategy threatening the extinction of all life on earth.

First of all, M. Halperin refuses to refer to nuclear weapons as weapons. He is more inclined to refer to them as nuclear explosive devices capable of producing monstrous global results within minutes. Anything that cannot win a war, that makes even fighting a war inconceivable, cannot be called a weapon. This seems absolutely valid, and even though we will use the term "nuclear weapons," it will be in keeping with tradition and certainly not because we accept the possibility of using these weapons.

The author describes the politically circumscribed strategic thinking that was already prevalent in the United States at the end of World War II, when the Americans dropped two atomic bombs on Japan. When Truman made this political decision, he said that the bombing of

Hiroshima and Nagasaki was supposed to save millions of American boys who would have died if the war had been continued by traditional means. The author correctly points out, however, that, first of all, no one ever calculated these possible losses, and they were obviously exaggerated. Second, no one calculated the probable and, we must assume, comparatively small losses in the event of the possible (and already probable) surrender of Japan, not to mention in the event of concerted, rather than dispersed, actions by the Army, Air Force, Navy, and Marine Corps and (or) the appropriate diplomatic efforts. Neither the President nor his advisers could seriously consider the possibility of ending the war without the atomic bombs because their use was supposed to have far-reaching political implications: not so much to bring Japan to its knees as to intimidate the Soviet Union after the war. This approach to the role of nuclear weapons marked the beginning of a series of subsequent major errors in nuclear strategy.

The politico-military concept of "nuclear deterrence (or intimidation)" combined with references to "chronic shortages" in conventional armed forces and arms began to determine the reliance on nuclear weapons in safeguarding the national security of the United States immediately after the war. Nuclear weapons were introduced into all branches of the armed forces and were then located in all parts of the world in spite of their ability to "destroy everything that had to be defended" (p xiii). This gave rise to a question which, according to Halperin, has never been answered: What was the ultimate purpose of American nuclear weapons to be—a retaliatory (second) strike against the presumed aggressor or a first strike? An analysis of past and present strategic planning in the United States, however, leads the author to the conclusion that it was the pre-emptive use of nuclear weapons that was the main intention throughout the postwar period. American strategic nuclear forces throughout the world were supposed to be ready for immediate use in any situation. This creates an extremely high risk of nuclear war. Here the author reveals several extremely important aspects, and we will take a look at them (p xiii).

First of all, the very emphasis on the rapid use of nuclear weapons minimizes decisionmaking time in the presence of a real or potential threat. Second, the existence of nuclear weapons in general-purpose forces, especially ground troops, increases the possibility of their unauthorized use at the very first sign of a threat to destroy or seize these weapons. Third, the control of nuclear weapons is weakened in a crisis situation, and this increases the possibility of their accidental use. Fourth, the habitual readiness to use nuclear weapons could have its own impact by precluding non-nuclear solutions to political problems. Fifth, the reliance on nuclear weapons reduces the possibility of concluding arms control agreements that might lessen this reliance. Halperin also feels the need to mention another factor. He believes that in the presence of the factors listed above, the Soviet leadership would have reason to resort to a pre-emptive nuclear

attack and that this, in turn, increases the risk of nuclear war. But this points up the author's objectivist approach. Although this seems logical on the surface, he is ignoring the main factor—the political factor, the USSR's unconditional pledge not to use nuclear weapons first. The United States never made this pledge. But after all, the first draft resolution on no first use of nuclear weapons was introduced (and immediately rejected) in the Senate back in 1949 (p 8). All subsequent attempts in the American Congress had the same outcome.

The author's review of past strategy proves once again that, despite some (far from fundamental) changes in strategic nuclear planning in past decades, the emphasis on nuclear weapons was invariably maintained.

The 1950s were a time of the increasingly extensive nuclearization of the armed forces, with a gradual reduction of the role of non-nuclear arms. Furthermore, nuclear weapons became so common, the author writes, that they were regarded virtually as regular weapons without any particularly dangerous properties. Just as in the past, the "new doctrine permitted the use of nuclear devices when necessary" (p 17) and the administration still rejected all proposals on no first use. These weapons, especially strategic weapons, began to be regarded more and more as policy instruments.

Arguing against the statements of the critics of the "mutual assured destruction" theory of the 1960s (they were afraid that this would lead to the destruction of American and other cities), Halperin says that the "counter-city response" was never the intention of American strategists and that this point of view was never included in U.S. plans for fighting a nuclear war (p 21). In reality this concept did not impede the development of strategic forces for the destruction of military targets and did not lie at the basis of military plans. "The United States continued to adhere to the scenario envisaging the destruction of Soviet strategic forces before they could be used" (p 21). The concept of "mutual assured destruction" was simply a convenient criterion for the quantitative determination of the scales of the nuclear forces needed for a guaranteed second (or retaliatory) strike, if, of course, it would be necessary to deliver this kind of strike—to have so many forces of this kind that each component of the strategic triad, in spite of incurred losses, would be capable of destroying much of the population and industry of the USSR. The author's explanation still seems relevant today. It reaffirms the "counterforce" (against military installations for the purpose of disarming the adversary), and not the "counterproperty" (against the enemy's administrative and industrial centers), aim of American nuclear strategy in the 1960s and today. As Halperin points out, however, each administration wanted "more flexibility" in the use of strategic forces, but with the retention of the main condition: "The United States had to be prepared to initiate an exchange of strategic nuclear strikes and initiate the use of tactical nuclear weapons whenever 'necessary' to avoid defeat on the battlefield" (pp 21, 22).

Most of the American public, however, does not even know that the United States is prepared to use nuclear weapons first. This is a paradox but it must be taken into account in any consideration of present-day America. It is also important to know that many "national security bureaucrats" (p 23) want the United States to continue declaring its readiness to deliver a first strike on the grounds that this was supposedly beneficial in the 19 times the United States threatened to use nuclear weapons in the past. As the author says, however, this "benefit" was extremely dubious or non-existent. It was not the nuclear threats that ended the crises, especially in view of the fact, the author remarks, that in many cases these threats "were not even known to the adversary" (p 46) and were only revealed later in declassified documents or the memoirs of U.S. leaders. The crises were averted by a combination of different politico-military factors, including diplomatic efforts, which, the author says, are frequently underestimated (p 24). Nevertheless, as a result of the belief in the myth of the life-saving role of nuclear weapons, the U.S. leadership has avoided the radical revision of the nuclear strategy emphasizing the first use of nuclear weapons.

The author reinforces his point of view with an analysis of the postwar situations in which Washington threatened to "pull the nuclear trigger": Iran (1946), the Berlin crisis (1948), the Korean War (threats by Truman and Eisenhower), the crisis over the Chinese islands of Quemoy and Matsu (1954), the Suez crisis (1956), Lebanon (1958), Quemoy again (1958), Berlin again (1959 and 1961), the Caribbean crisis (1962), the capture of the American spy ship "Pueblo" by DPRK combat ships (1968), the war in Vietnam (the threats of 1968 and 1969), the crisis on the Soviet-Chinese border (1969-70), the Indo-Pakistani conflict, the Arab-Israeli war (1973), the threat to use nuclear weapons against the DPRK (1975), and the crisis in the Persian Gulf (1980 and 1981). As a result of the Iran-Iraq war and in connection with the American military presence in the Persian Gulf, the author's warning that "many national security bureaucrats regard the Persian Gulf as one of the key areas where the American threat to use nuclear weapons first is of vital importance to the security interests of the United States" (p 45) seems particularly relevant today.

Three varieties of nuclear strategy are analyzed in a separate chapter. The Eisenhower administration came close to pursuing the first type (referred to as the "ordinary weapon" strategy). It proceeded from the belief that nuclear weapons were simply much more effective than others and should therefore be relied upon, without any restrictions of a moral nature or considerations of common sense. A war could be won with nuclear weapons and lost without them. The use of nuclear weapons first was justified by the impossibility of compensating for shortages of personnel and conventional arms. These were the basic premises of this strategy.

The second strategy (the "special weapon") has existed since the time of the Kennedy administration. It accepts

the dangers of using nuclear weapons and regards them as a special type of weapon but nevertheless considers their use possible, even if only as a last resort. The author directs attention to the difficult position of those who support this strategy. On the one hand, constantly underscoring the destructive nature of nuclear weapons could create the impression that the United States is not willing to use them and would cause them to lose their ability to "deter aggression." On the other, persistent declarations of reliance on nuclear weapons could give rise to diplomatic difficulties: Allies putting their trust in U.S. nuclear forces might contribute less to the buildup of conventional armed forces, and the public would live with the constant fear of destruction.

The author believes that comparisons of the first and second strategies have been the main element of postwar nuclear debates, but the arguments have reached an impasse. A new approach is needed. What should it be?

The nuclear strategy the author proposes ("nuclear explosive devices") proceeds from the belief that these weapons cannot be regarded as weapons. They cannot be used first and they cannot even be part of the armed forces or be put at the disposal of the military. Nuclear weapons should be turned over to a special command under the direct jurisdiction of the President and should be used only on his personal orders for the destruction of vitally important targets deep within enemy territory. The use of these weapons should serve as a signal that America is prepared to end the conflict quickly. This strategy, in Halperin's opinion, is no threat to national security for three reasons. First, a war without nuclear weapons will not necessarily lead, as is commonly assumed, to a defeat for the United States and NATO. Second, the use of nuclear projectiles will only compound the effects of "disparities" in conventional armed forces as a result of heavy Western losses and will create favorable conditions for an offensive by Warsaw Pact troops. Third, there should be reliance on conventional, and not nuclear, arms, and if conventional troops are reinforced substantially and begin fighting as if nuclear weapons do not exist, victory is assured. The author advises the removal of American nuclear weapons from the territory of other countries, the prohibition of nuclear tests, the approval of the creation of nuclear-free zones, and the official support of the antinuclear movement in the West.

As we can see, what the author proposes are fundamentally new varieties of strategic thinking—new for America and the West as a whole, but not new in general. Suffice it to say that much of what he suggests, particularly the idea of no first use of nuclear weapons, was first set forth by our country for international discussion and approval. Today, however, the USSR is proposing much more radical measures—the complete elimination of nuclear weapons within the shortest possible period of time. The author says nothing about this initiative. He

believes in the retention of nuclear arsenals. He is also in favor of the buildup, and not the reduction, of conventional armed forces and arms on a mutual basis.

The book reveals the disparities in various aspects of the development and use of U.S. nuclear strength—declared policy, plans of strategic attack, purchasing policy, and nuclear arms development. While officially declaring the intention to maintain the ability of strategic forces to deliver a second (retaliatory) strike, the U.S. politico-military leadership is actually preparing for a first strike—both in arms purchases and in the planning of strategic strikes. It is probable that the actual delivery of nuclear strikes would diverge completely from plans as a result of the unwieldy system for the command and control of strategic forces. This system cannot prevent fatal errors in the move from the "negative" to the "positive" control of nuclear forces. "Negative" control is supposed to preclude the accidental launching of missiles or takeoff of nuclear-capable aircraft. In a crisis, however, the danger will be compounded during the transfer of efforts from centralized "negative" control to decentralized "positive" control (the latter should secure the complete certainty of a timely launching or takeoff in any event, including the sudden disruption of the command and control system). It is at this time that the accidental or unauthorized use of nuclear weapons by the United States could occur.

The author says that "today most experts on Soviet military strength feel that the possibility of the first use of nuclear weapons by the Soviet Union is far from conclusive" (p 110). If this is true, then the author should proceed from the same belief. In his criticism of current U.S. and NATO nuclear strategy, however, he puts himself in an ambiguous position by saying that today "NATO nuclear forces are less of a deterrent or a counterbalance to a Soviet first strike than a target for this kind of strike" (p 111).

His contradictory approach is also obvious in his discussion of crisis stability. On the one hand, he says that it is necessary so that neither side will have any motive to deliver a first nuclear strike in a crisis. At the same time, Halperin does not object to the presence of highly accurate U.S. nuclear weapons systems capable of destroying missile silos, although he does prefer systems with less accurate and less powerful warheads and less near-launch potential. The author advises giving up the MX ICBM, but he is also in favor of the new mobile Midgetman missile. There seems to be no special consistency in the author's views here either, because the Midgetman is also capable, according to American experts, of destroying heavily protected targets, particularly government and military command centers. This capability of ballistic missiles (and the cruise missiles the author advocates) can only fuel the temptation to deliver a "decapitating" first nuclear strike. This proves once again that half-hearted attempts to change the nuclear situation cannot eliminate the threat of nuclear conflict. They cannot, despite the author's desire to find new ways

of safeguarding security, especially American security, because, as he puts it, "American security rests on a doomsday machine attached to a roulette wheel" (p 85).

The presence of nuclear weapons in Europe has given rise to many politico-military problems. The author feels it would be wise to eliminate all "dual-purpose" weapons, create a special structure of nuclear forces under the direct jurisdiction of the supreme allied commander of NATO forces in Europe, and reduce the number of nuclear warheads to a few hundred (p 96). This, however, could make conventional war more probable, Halperin warns, precisely because the danger of unauthorized or accidental nuclear strikes would virtually disappear. This can be avoided by a buildup of conventional forces, although, Halperin says, the West Europeans are afraid that the United States will withdraw its troops from Europe if they increase their conventional forces. For this reason, the author declares, the United States will have to keep its military presence in Europe almost forever. The result is a vicious circle, perpetuated by any nuclear situation, even the one suggested by the author.

Halperin does not renounce the concept of "nuclear deterrence," although more and more sensible officials in the West, including Americans, now believe it is outdated and are insisting on a fundamental reconsideration of the role and place of nuclear weapons in the world of today and tomorrow. The concept of "nuclear deterrence" has been vehemently condemned in the USSR, but the author prefers to simply decorate the facade of this theory, suggesting some alterations in the "deterrence" mechanism but insisting on the preservation of nuclear weapons in any case.

Halperin does not say a single word about the central issue—the need to prevent the emplacement of weapons in space and the connection between this problem and the issues of the reduction of the level of nuclear confrontation and the subsequent elimination of nuclear weapons. He does not say a word about the Soviet proposals regarding the destruction of all types of nuclear weapons before the beginning of the 21st century. It appears that while he was writing this book, he isolated himself completely from world events. This might sound a bit harsh, but it has to be said, because it would be difficult not to feel the fresh breeze of change in the international community, change resulting from Soviet proposals based on the new political thinking. After all, world history did not end at the beginning of the 1980s.

Nevertheless, the serious analysis of the history of American errors in nuclear strategy and the desire to find a constructive alternative are the salient features and distinctive merits of this work. The book is conclusive and persuasive in many respects. This is another of the attempts by members of the U.S. academic community to depart from old and customary dogmas in international politics.

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8588

U.S. Personnel Policy in S&T Centers

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[Response by I.G. Ilyin, candidate of economic sciences, to letter from reader; first paragraph is SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA introduction]

[Text] Reader Ye.P. Taratuta (Moscow) is interested in the hiring and professional advancement of scientific personnel in research organizations in the United States. We asked Candidate of Economic Sciences I.G. Ilyin to answer these questions.

It is a common belief in the United States that the correct procedures for the hiring, placement, use, payment, and promotion of personnel are much more important in the sphere of research and development than in production or administrative establishments.

The problem of the quality of scientific personnel arose when this profession became a mass occupation. Before World War II scientific research was largely a vocation. Now high salaries and prestige have made this work quite appealing. As a result, the increase in the number of gifted researchers is far from proportional to the increase in the number of scientific personnel in general.

The applicant for a typical research position is expected to have from 5 to 10 years of experience working in a narrow field. The selection of the best applicant is made in accordance with job specifications. Research organizations interested in young specialists keep an eye on university students. Sometimes, for example, upperclassmen are hired for temporary summer jobs. This gives the organization a chance to test their abilities and then offer them permanent jobs after graduation.¹ Recruiters talk to graduates and select the most promising of these for future consideration. Highly qualified specialists are selected through the personal contacts of staff researchers, scientific conferences, and meetings of scientific societies. Newspaper ads and the services of private employment agencies are also used extensively.

Management's evaluation of a job applicant is based on the professional qualifications of the candidate and on his personality. His professional and personal qualities should be balanced in such a way that he will fit into the existing organization. Otherwise, a researcher with outstanding academic qualifications might not be able to work with colleagues or management. The difficulty of selecting research personnel motivated psychologists to work out special applicant evaluation procedures. They

are intended to reveal the specific personality features contributing to productive research.² The people who hire scientific personnel are advised to follow two rules.

They should always offer jobs only to qualified specialists. This can be quite difficult at times because the number of first-rate specialists is limited in many fields of science. Second, before an applicant is hired, he should be evaluated in comparison with staff researchers. In many cases it is better to transfer one of "one's own" employees to the vacant position and give him some additional training than to bring in a person from outside.

Hiring procedures usually follow a specific pattern. The applicant is provided with general information about the research organization, its research program, and opportunities for advancement. Besides this, he is provided with a job description listing all of his main duties. After the applicant has been hired, he goes through what is known as a period of orientation. At this time he learns the organization's scientific policy, its traditions, its unwritten rules, and the location of its various facilities.

In many American scientific organizations an effort is made to familiarize the new researcher with all departments. He spends from 2 or 3 days to 2 weeks in each subdivision before moving into his permanent position.

When work assignments are being drawn up, the researcher's frame of mind and inclinations are taken into account along with his professional background. Some people excel at time-consuming routine operations while others are full of brilliant ideas but cannot follow through on them. With a view to the individual qualities of each researcher, assignments are distributed to the people who will work on them most effectively.

The professional hierarchy in American scientific organizations usually bears no resemblance to the hierarchy in other establishments. Professional advancement can be achieved either through research or through managerial activity. After the novice researcher has climbed the first three or four rungs of the professional ladder, he can either continue working only in research or move to a managerial position. The scientists engaged in research are not expected to perform any managerial functions. The number of positions is usually the same on both ladders and salaries are the same on both. The double ladder in the United States Steel Research firm is the following:³ After the employee has served as an assistant researcher, junior researcher, researcher, and senior researcher, he can begin climbing either the managerial ladder, moving from section supervisor to department head to executive, or the research ladder, moving up from junior research consultant to research consultant to senior research consultant.

The research centers of some companies, such as Union Carbide, even have three ladders: research, managerial, and administrative. Employees on the administrative

ladder compile budgets, hire personnel, perform and material and technical services, or manage the library. With the double ladder system the organization can give a scientist performing research successfully a promotion and a higher salary without burdening him with administrative duties. This guarantees job satisfaction and the necessary flexibility in personnel management. The system is not always used effectively, however. For example, the number of jobs on each ladder might not be equal, and the result is that one then seems more promising in career terms. The prestige of the research ladder is often undermined by the transfer of incompetent managers to these positions.

Decisions on promotions and salary increases are based on periodic, usually annual, performance evaluations. The employee's performance is evaluated by a commission made up of the managers of the research organization and the personnel division. The commission evaluating a researcher's performance examines his record and a report from his immediate supervisor. In accordance with the results, decisions are made on the suitability of the worker for the position he occupies, on professional advancement, and on future changes in salary (increases, decreases, or freezes). The commission informs the researcher of the principles governing the evaluation and of any complaints about the employee. Sometimes the final decision is postponed until the employee has had time to correct his shortcomings. Substantial salary cuts are rare, but employees who clearly do not meet job requirements are fired even if there is an acute shortage of specialists. The administration avoids unjustified dismissals, however, because they can have negative results. Some employees would begin to feel insecure and would look for other jobs. This could also create an atmosphere of hostility and mutual distrust. Obviously, this is highly undesirable. The necessary conditions for scientific discoveries exist only when the employee knows that he can be dismissed for negligence, but not for the failure of a bold and promising project. In an atmosphere in which errors lead automatically to dismissals or demotions, researchers are more concerned with putting on a good show than with developing fundamentally new models or processes, because the work on these always entails the risk of failure.

The performance of young researchers is evaluated with a view to future promise. If it becomes obvious that an employee is unlikely to become a good worker, he is advised to choose another career or to move to another research organization within the next year.

It is considered to be important that researchers know all of the details of the salary system in their organization and know that promotions and raises are granted according to a specific procedure and are not arbitrary decisions. The job description is the first step in determining the salary level in research organizations. It is in accordance with these descriptions that the jobs in an organization are evaluated—i.e., ranked in order of importance

and professional qualifications. In this way, all jobs are arranged from the highest to the lowest without quantitative characteristics or are graded on a numerical scale. The salary for each job is determined with a view to the ranks achieved in this manner and to salaries in other scientific organizations and universities. Different pay grades are usually set for scientific personnel—as many as nine different grades. In this way, the indicators of each researcher's work can be taken into account more fully. This also creates the psychologically positive picture of a ladder with many rungs, motivating researchers to climb to the next rung as quickly as possible. Besides this, salaries cover a certain range within each pay grade, and this stimulates the professional growth of the employee while he is occupying a single job. The average beginning salary is around 1,500 dollars a month and the highest is around 4,500 dollars. The maximum salary on each rung of the ladder is higher than the minimum salary on the next rung. This allows for substantial salary increases without moving the employee to a higher pay grade, and this maintains the balance between the lowest, middle, and highest groups of researchers.⁴

Material incentives consisting of direct financial awards and indirect material awards are used to encourage good performance. Christmas bonuses or quarterly bonuses for outstanding researchers and for managerial and auxiliary personnel constitute part of the direct financial awards. Another part depends on the results of work. Many companies award large monetary prizes for outstanding scientific achievements. In the majority of scientific centers all of the patents and inventions developed by researchers belong to the center or to its parent organization. The inventors themselves are usually awarded a bonus ranging from 100 to 1,000 dollars. The IBM corporation has a special award system. It is intended to increase the creative output of researchers and to distinguish outstanding achievements from the routine fulfillment of job requirements. The following types of awards are granted:

Awards ranging from 2,500 to 10,000 dollars for outstanding innovations. Up to 40 such prizes are awarded each year;

Awards of the same size as the previous type for the effective use of existing ideas for a significant impact on company profits or overhead costs;

Awards of up to 2,400 dollars for patented inventions. In this case an award of up to 1,500 dollars is also granted by the scientific division for the effective use of existing ideas.⁵

The U.S. experience has proved that there should be no official connection between the results of research and development and direct forms of material incentives. This leads to pronounced deviations from optimal work patterns; for example, designers make "cosmetic" changes in existing models instead of designing new ones because the former is less risky.

Indirect forms of material incentives include pension and insurance benefits, stock options, the deferment of bonuses until after retirement, the payment of membership fees in scientific societies, the payment of traveling expenses for scientific conferences, etc.

Material incentives alone are considered to be inadequate. An effort is made to combine them with various types of moral incentives. Outstanding scientists are awarded honorary titles and degrees. Researchers who excel are granted certain advantages in the freer access to facilities, the choice of more convenient vacation times, and a better supply of equipment and materials. Participation by researchers in conferences and seminars outside the organization is also supported, and publications are encouraged.

Certain standards of behavior for the researcher have taken shape gradually. He should be confident and assertive without being aggressive or unfriendly. He should treat his colleagues and superiors as individuals but not try to get too close to them; at work he is expected to strive for spiritual intimacy instead of socializing. When communicating with superiors, the researcher is expected to "know his place" but not to behave timidly or to be servile or submissive; he must be able to express his opinions and defend his own point of view. With his colleagues he is expected to be sincere, honest, purposeful, and diplomatic, but not too flexible or conspiratorial.⁶ Obviously, this is only one description of the ideal researcher.

The rapid changes in science and technology today are making the knowledge acquired in higher educational institutions either partially or completely obsolete within just a few years. This gives rise to the need to retrain scientific personnel, who usually work in narrow fields, and to keep them informed of the latest discoveries. In most organizations each researcher has a program of permanent education and advanced training. Wherever this does not exist, professional stagnation frequently occurs and causes the failure of some projects and programs.

One of the important functions of managerial personnel is the full use of the creative potential of researchers, which is usually also in their interest from the financial and moral standpoints. A researcher of average ability can "deliver" a first-rate product, but he can also slip into mediocrity. This is why setting high standards for the quality of scientific reports and getting rid of people who cannot compete are important elements of personnel policy. An atmosphere of intellectual competition and rivalry and the expectation of brilliant results from researchers is deliberately created and sustained in American research organizations.

Most of the people in managerial positions are scientists rather than professional managers. The prevailing opinion is that only highly qualified specialists in the field can determine the most promising areas of research,

assess research results, and establish a good rapport with scientific personnel. Besides this, prominent scientists in top-level positions in a research organization attract talented young scientists who want to work under the supervision of an outstanding colleague. Choosing a good director for a research organization is considered to be more difficult than choosing a good director for a production enterprise. For this reason, when candidates for managerial positions are being considered, their motives, abilities, and loyalty to the organization are analyzed. Special studies have shown that the researchers who want to move into managerial positions are distinguished from the rest primarily by a desire for power. This motivation is considered to be essential in the management of research and development.⁷

The managerial career ladder is usually more lucrative. For this reason, some researchers take managerial positions because of financial considerations and not because they like this kind of work. The candidate for a managerial position undergoes a period of probation before the transfer becomes final. His work is carefully evaluated. In most cases, the novice acquires additional managerial training in special courses within the organization rather than in university courses.⁸

The administrative duties of managers at various levels differ substantially. This is why section supervisors are usually chosen for their administrative abilities, even though this job also requires sound research skills, while group supervisors are chosen mainly for their scientific experience.

High requirements are made not only on the professional qualities of managers but also on their personality. The heads of research organizations are expected to be outstanding and talented people with professional intuition and zeal. They must be imaginative, astute, and reasonable. It is important for them to have well-rounded personalities and to be reliable and inspire trust. They must have experience in negotiating compromises. The supervisor of a research subdivision must have the strength of will and determination to make firm decisions and reject or accept suggestions depending on the specific situation. The manager in a scientific organization must have the courage to take sweeping measures: to continue a research project when things are not going smoothly and to have the wisdom to give up when the project reaches an impasse. We know that most research projects in the United States do not reach the point of commercial results. It is particularly important for the managers of scientific subdivisions to have leadership qualities—i.e., the ability, based on personal qualities, to win the voluntary consent of subordinates to decisions on a broad range of issues.

The performance of managers is analyzed and evaluated for the purpose of judging the effectiveness and competence of the managerial staff. In many companies each manager is evaluated according to a numerical scale and is given a certain number of points for his performance

of various managerial duties. His general performance is also graded by colleagues, subordinates, and superiors. These points are then totaled and the managers are ranked in order of the number of points received. This then serves as the basis for managerial promotions and salary increases.

All aspects of personnel policy are aimed at enhancing the operational efficiency of the scientific organization and increasing the creative output of each employee. These are some of the common approaches to scientific personnel in the United States and common professional requirements, formulated and generalized for different fields of scientific management. Actual practices, however, are naturally much more contradictory and complicated.

Footnotes

1. S. Schocket, "Summer Jobs: Finding Them, Getting Them, Enjoying Them," Princeton (N.J.), 1985, pp 92-95.
2. See, for example, R. Keller and W. Holland, "Toward a Selection Battery for Research and Development Professional Employees," IEEE TRANSACTIONS ON ENGINEERING MANAGEMENT, November 1979, vol EM-26, No 4, pp 90-93.
3. JOURNAL OF THE SOCIETY OF RESEARCH ADMINISTRATORS, Summer 1977, vol 9, No 1, p 16.
4. "Modern Management Techniques in Engineering and R&D," New York, 1984, p 274.
5. RESEARCH MANAGEMENT, November-December 1985, vol 28, No 6, p 14.
6. M. Stein, "Stimulating Creativity," New York, 1974, vol 1, pp 260-261.
7. RESEARCH MANAGEMENT, July-August 1986, vol 29, No 4, pp 26-27.
8. Ibid., January-February 1985, vol 28, No 1, pp 20-21.

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8588

Chronicle of Soviet-American Relations (September-December 1987)

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[Text]

September

3-4—The heads of the USSR and U.S. delegations at the Vienna consultations between the Warsaw Pact and NATO countries on the drafting of a mandate for future

talks on the reduction of conventional arms and armed forces in Europe from the Atlantic to the Urals, Yu.B. Kashlev and S. Ledogar, attended a working meeting in Moscow.

8—Chairman L.N. Tolkunov of the Council of the Union of the USSR Supreme Soviet received a delegation from the American Bar Association, headed by association President R. McWright.

The USSR visit of American Democratic congressmen T. Downey, J. Moody, and R. Carr, who were accompanied on their trip by a group of prominent scientists and experts, came to an end. They attended experimental low-yield explosions in Kazakhstan and visited the site of the radar station being built near Krasnoyarsk.

8-12—A Soviet-American seminar on "Soviet and American Images in Literature, Art, and the Mass Media: A New Way of Looking at Each Other," organized by the Soviet Committee for the Defense of Peace and the American Center for American-Soviet Dialogue, was held in Moscow.

10—Hearings before the Joint Economic Committee of the U.S. Congress on "Gorbachev's Economic Reform" began.

10-11—Soviet and American representatives in Moscow discussed the situation in the Middle East and in Southeast Asia.

11—A Soviet-American exchange of views at the expert level on the situation in Afghanistan was held in Geneva.

15—A delegation from an American national council of organizations dealing with international problems, visiting the USSR to discuss the prevention of alcoholism and drug addiction, held a press conference in Moscow.

15-18—Talks between USSR Minister of Foreign Affairs E.A. Shevardnadze and U.S. Secretary of State G. Shultz took place in Washington. A fundamental agreement was reached on the conclusion of a treaty on intermediate- and shorter-range missiles. The sides agreed to begin a full-scale series of bilateral talks before 1 December 1987 on the limitation and eventual cessation of nuclear tests. A program of measures to stimulate more vigorous interaction in various spheres of Soviet-American cooperation in 1987-88 was approved. A Soviet-American agreement on the creation of nuclear risk reduction centers and two protocols to it were signed. A meeting between General Secretary of the CPSU Central Committee M.S. Gorbachev and President of the United States R. Reagan in Washington was scheduled.

17—An American serviceman was wounded in an altercation in the GDR between American and Soviet servicemen from the communications missions attached to the Soviet and American commanders-in-chief of the occupation zones. As E.A. Shevardnadze said at a press conference in Washington, the actions of both sides violated the agreement on military communications missions. "We apologize for the incident and assure you that the proper authorities will take the necessary measures to prevent such incidents in the future," he said.

20—The guest of honor at a reception held in New York by the National American-Soviet Friendship Council was Hero of the Soviet Union L.P. Telyatnikov, the lieutenant-colonel who directed the actions of the firefighters at the Chernobyl nuclear plant.

21—Member of the CPSU Central Committee Politburo and Chairman of the RSFSR Council of Ministers V.I. Vorotnikov received New York State Governor M. Cuomo.

22—Secretary of the CPSU Central Committee A.F. Dobrynin received New York State Governor M. Cuomo.

Member of the CPSU Central Committee Politburo and Secretary of the CPSU Central Committee V.P. Nikonov received President J. Giffen of the American-Soviet Trade and Economic Council (ASTEC).

23—Deputies of the USSR Supreme Soviet and members of the U.S. Congress took part in a USSR-U.S. spacebridge.

24—An underground nuclear test with a yield of from 50 to 150 kilotons was conducted on the test range in Nevada.

25—E.A. Shevardnadze and G. Shultz met in New York and discussed the Iran-Iraq conflict and the escalation in the Persian gulf. They agreed that the U.S. secretary of state would visit Moscow on 22-23 October 1987.

The work of the three groups on intermediate-range missiles, space weapons, and strategic offensive arms continued all month in Geneva at the Soviet-American talks on nuclear and space weapons.

October

1—A USSR Ministry of Foreign Affairs spokesman announced at a press conference in Moscow that USSR Minister of Defense D.T. Yazov had invited U.S. Secretary of Defense C. Weinberger to a meeting in Geneva at the next session of the Soviet-American Standing Consultative Commission to discuss problems connected with the observance of the ABM Treaty and some other matters.

2—A.F. Dobrynin received J. Giffen at his request.

3-4—Delegates from 45 countries, UN representatives, and Soviet and foreign journalists were invited by the Soviet Government to visit the chemical test range in Shikhany, where they learned about the Soviet supply of chemical weapons and the operations of the mobile complex for the destruction of chemical weapons. The United States was represented by M. Friedersdorf, the head of the American delegation at the Conference on Disarmament.

6-14—A delegation from the agroindustrial complex commissions of the USSR Supreme Soviet, headed by V.P. Nikonov, visited the United States as the guests of the Committee on Agriculture of the U.S. House of Representatives. While the delegation was in the United States, the Soviet parliamentarians had meetings with President Reagan and other U.S. officials.

10—Procurator General of the USSR A.M. Rekunkov spoke with a delegation from the U.S. National Association of Prosecuting Attorneys in Moscow.

13—The State Department prohibited the autonomous choice and rental of housing by Soviet journalists working in the United States.

15—Human rights were the subject of the second USSR-U.S. spacebridge for direct communication between deputies of the USSR Supreme Soviet and members of the U.S. Congress.

15-16—Representatives of the Soviet and American UN associations met in Moscow.

22—The centennial of John Reed's birth was celebrated in Moscow.

Deputy Chairman of the USSR Supreme Soviet Presidium G.S. Tarazevich spoke with a delegation from Peace Links, an American peace organization visiting Moscow as the guests of the Committee of Soviet Women.

22-23—George Shultz and National Security Adviser F. Carlucci arrived in Moscow in accordance with the earlier agreement.

The U.S. secretary of state and the officials accompanying him were received in the Kremlin by M.S. Gorbachev. Strategic offensive weapons were the main topic of their discussion. M.S. Gorbachev made additional proposals on this matter for the purpose of finding solutions satisfying both sides, particularly with regard to the quantitative limits on the number of warheads in the different elements of the strategic triad of both countries within the framework of the total limit of 6,000 warheads on all strategic offensive weapons: no more than 3,000-3,300 on ICBM's, no more than 1,800-2,000 on SLBM's, and no more than 800-900 on air-based cruise missiles.

During their negotiations, E.A. Shevardnadze and G. Shultz effectively completed the draft of the basic provisions of an agreement on intermediate- and shorter-range missiles. The prospect of reconciling the two sides' positions on the 50-percent reduction of strategic offensive weapons under the conditions of the strict observance of the ABM Treaty was discussed at length. The sides scheduled the start of full-scale Soviet-American talks on nuclear tests for 9 November in Geneva. They also discussed the progress in drafting the mandate for the Warsaw Pact and NATO talks on the reduction of armed forces and conventional arms in Europe, problems connected with the total ban on chemical weapons, questions connected with the dangerous situation in the Persian Gulf and the settlement of the Iran-Iraq armed conflict, and some aspects of bilateral relations, including humanitarian issues.

27—E.A. Shevardnadze invited U.S. Ambassador J. Matlock to his office for a conference. The USSR foreign minister also received Director R. Solomon of the State Department Office of Foreign Policy Planning.

30-31—E.A. Shevardnadze went to Washington for a working visit and spoke with R. Reagan and G. Shultz. The talks resulted in the publication of a joint Soviet-American announcement of an agreement to hold a summit meeting between M.S. Gorbachev and R. Reagan in the United States starting on 7 December 1987.

31—First Deputy Chairman of the USSR Council of Ministers and Chairman of the State Agroindustrial Committee V.S. Murakhovskiy received President S. Chilewich of the American Chilewich Corporation at his request. They discussed specific aspects of cooperation in the processing of agricultural products.

Meetings on all three issues on the agenda of the Soviet-American talks on nuclear and space weapons continued.

November

2—Speaking at the festivities commemorating the 70th anniversary of the Great October Socialist Revolution in Moscow, M.S. Gorbachev discussed Soviet-American relations and his upcoming meetings with President Reagan: "During these meetings we will make an earnest effort to achieve perceptible advances and concrete results in the main question connected with the elimination of the nuclear threat—the question of reducing strategic offensive arms and preventing the emplacement of weapons in space."

The United States tested a powerful laser on the White Sands range (in New Mexico).

4—Harper and Row published M.S. Gorbachev's book "Perestroika and the New Thinking for Our Country and the World."

5—A regular session of the Soviet-American consultative commission came to an end in Geneva.

E.A. Shevardnadze received U.S. Ambassador J. Matlock at his request.

9-20—The first round of the Soviet-American full-scale talks on the limitation and eventual cessation of nuclear tests took place in Geneva. The sides began planning a joint experiment on each other's test ranges (near Semipalatinsk and in Nevada respectively) for the purpose of working out better methods of verifying the observance of the ceiling of 150 kilotons on nuclear explosions.

9—M.S. Gorbachev had a meeting with General Secretary G. Hall of the Communist Party, USA, in the CPSU Central Committee. They discussed the festivities commemorating the 70th anniversary of October and the meeting of delegations from parties and organizations attending the festivities in Moscow.

12—The conclusion of an agreement on joint non-stop flights from Moscow to New York, on Boeing-747 planes with a Soviet and American crew, by USSR Aeroflot and Pan American was announced. There will be three such flights a week beginning on 15 May 1988.

13—A trilateral scientific and technical forum for the discussion of "Century-End Objectives: Advanced Technology, Industrial Restructuring, and Economic Potential" by representatives of the USSR, Great Britain, and the United States began in London.

V.P. Nikonov received Co-Chairman of the American-Soviet Trade and Economic Council D. Andreas, chairman of the board of the Archer-Daniels-Midland firm, at his request.

Soviet seamen rescued five American fishermen who had been floating in the Atlantic for 11 days following an accident.

14—PRAVDA published a statement by the Latvian SSR Supreme Soviet on the resolution passed in the U.S. Congress on a so-called Latvian independence day, describing this resolution as "flagrant interference in the internal affairs of a sovereign state, a serious violation of the UN Charter and the Helsinki Final Act," and a document "contrary to the standards of international law."

The 6th Session of the Estonian SSR Supreme Soviet issued a similar statement; it registers a vehement protest against the campaign of slander and the instigation of anti-Soviet actions in the Estonian SSR.

A.F. Dobrynin had a meeting with ASTEC President J. Giffen and Co-Chairman D. Andreas at their request.

14—Famous public spokesman and businessman A. Hammer arrived in Moscow to attend the opening of the exhibit of "American Painting from 1840 to 1910." He was received by member of the CPSU Central Committee Politburo and Chairman of the USSR Council of Ministers N.I. Ryzhkov and by A.F. Dobrynin.

16—E.A. Shevardnadze received U.S. Deputy Secretary of State J. Whitehead in Moscow.

16-18—In Geneva First Deputy Minister of Foreign Affairs Yu.M. Vorontsov of the USSR had a meeting with M. Kampelman, the head of the U.S. delegation at the Soviet-American talks on nuclear and space weapons; he also spoke there with U.S. Under Secretary of State for Political Affairs M. Armacost. Questions connected with the settlement of regional conflicts were discussed as part of the preparations for the Soviet-American summit meeting.

17-27—A delegation from Bridges to Peace, an American peace organization, visited the USSR as the guests of the Committee of Soviet Women. At the end of the visit Soviet and American women sent the leaders of the USSR and United States a telegram conveying their wishes for the success of the summit meeting in Washington.

19—A transoceanic dialogue between Soviet and American legislators was the third and final spacebridge connecting the USSR Supreme Soviet with the U.S. Congress.

E.A. Shevardnadze received U.S. Ambassador to the USSR J. Matlock.

20—A delegation of Soviet experts and diplomats visited the largest chemical weapon depot in the United States, located on the Tooele base near Salt Lake City (Utah).

21—PRAVDA reported on a joint research project by American and Soviet sociologists in Pskov and Jackson (Michigan).

23-24—Talks between E.A. Shevardnadze and G. Shultz took place in Geneva. The two sides agreed on the last unresolved issues connected with the draft treaty on the complete elimination of intermediate- and shorter-range missiles. They also discussed the program for the December summit meeting, regional conflicts, human rights, humanitarian cooperation, and bilateral relations. In Geneva E.A. Shevardnadze held a press conference on the results of this meeting.

24—Speaking in the press center of the USSR Ministry of Foreign Affairs, Information Administration Chief G.I. Gerasimov said that forces in the United States opposing any change for the better in Soviet-American relations were growing perceptibly more active as the intensive and constructive work in preparation for the meeting between M.S. Gorbachev and R. Reagan reached its height in Moscow, Washington, and Geneva.

The work of all three groups at the Soviet-American talks on nuclear and space weapons—on intermediate-range missiles, on space weapons, and on strategic offensive arms—continued.

December

1—E.A. Shevardnadze received U.S. Ambassador J. Matlock at his request.

1-2—The United States conducted two nuclear tests in Nevada.

2—J. Matlock was received by member of the Politburo and Secretary of the CPSU Central Committee A.N. Yakovlev.

The Soviet press published an interview with M.S. Gorbachev by the American NBC television network, which was broadcast in the United States on 30 November.

In Geneva the USSR delegation at the talks with the United States on nuclear and space arms distributed a statement to refute Washington's groundless allegations that "at the talks in Geneva the USSR is not divulging initial data on the corresponding Soviet weapons for inclusion in the memorandum of understanding in connection with the treaty."

4—A statement by the USSR Ministry of Foreign Affairs was published in connection with the dramatic growth in the last few days of the U.S. campaign accusing the Soviet Union of "violating" ABM treaty provisions.

An IZVESTIYA interview with President R. Reagan was published on the eve of the Soviet-American summit meeting.

Reagan was interviewed on American television. The questions the President was asked reflected the tense atmosphere in the United States on the eve of the meeting.

5—In Moscow a public "peace chain" was organized in support of the summit meeting in Washington.

7—The joint message to General Secretary of the CPSU Central Committee M.S. Gorbachev and President of the United States R. Reagan from the leaders of Argentina, Greece, India, Mexico, Tanzania, and Sweden of 4 December 1987 was published. They expressed the hope that "the summit meeting will create the proper atmosphere for the rapid drafting and conclusion of even more sweeping agreements on disarmament."

Another meeting was held in Vienna as part of the Warsaw Pact and NATO consultations for the purpose of drafting a mandate for talks on the reduction of armed forces and conventional arms in Europe from the Atlantic to the Urals.

7-10—The summit meeting between General Secretary of the CPSU Central Committee M.S. Gorbachev and President of the United States R. Reagan was held in Washington. The Treaty Between the USSR and the United States on the Elimination of Their Intermediate-Range and Shorter-Range Missiles, a memorandum of agreement on initial data connected with the treaty, and

two protocols—on procedures governing the elimination of the missile systems subject to the treaty and on inspections relating to the treaty—were signed at this time.

During his stay in the United States, M.S. Gorbachev had meetings with American public spokesmen, congressional leaders, news media executives, Vice-President G. Bush, a group of American students from the Direct Communication organization, and a large group of prominent businessmen.

E.A. Shevardnadze and G. Shultz approved a statement on matters connected with the quickest possible organization of a joint experiment on test ranges in the USSR and United States for the purpose of working out better methods of verifying the observance of the 1974 Treaty on the Limitation of the Yield of Underground Nuclear Tests and the 1976 Treaty on Peaceful Nuclear Explosions, exchanged diplomatic notes on the renewal of the intergovernmental Soviet-American agreement on cooperation in the study of the world ocean, and exchanged personal notes confirming the conclusion of an agreement on an increase in the number of direct flights between the USSR and United States.

The sides agreed on the exchange of visits by delegations on each other's nuclear test ranges in January 1988 as the preliminary phase of the next round of talks in Geneva. A Soviet-American statement on the results of the meeting was signed at the summit level.

10—Representatives of the Moscow public had a meeting with a delegation from the state of Iowa on a fact-finding tour of the USSR.

11—Ronald Reagan addressed the nation on television and said that the signing of the Treaty on the Elimination of Intermediate-Range and Shorter-Range Missiles was "just the first step, but an important one," toward a stronger peace.

The first working protocol to explain some of the provisions of the agreement on Soviet-American cooperation in space research was signed in Moscow. On the Soviet side the document was signed by Director V. Barsukov of the Geochemistry and Analytical Chemistry Institute of the USSR Academy of Sciences, and on the American side it was signed by NASA Deputy Administrator S. Keller.

13-14—In the night between 13 and 14 December the United States conducted an experiment in outer space of great importance, in the words of the Pentagon chief, to the development of laser and particle-beam weapons within the SDI framework.

14—M.S. Gorbachev appeared on Soviet television to discuss the Soviet-American summit meeting.

16—An agreement on the creation of a joint American-Soviet commission on theatre and dance was signed in New York. It was established on the initiative of the USSR Union of Actors and the U.S. Council of Learned Societies.

17—The seventh round of the bilateral USSR-U.S. consultations on the prohibition of chemical weapons came to an end in Geneva. The next round is scheduled for the beginning of 1988.

19—The Benjamin Olender Foundation, an educational organization in Washington, awarded General Secretary of the CPSU Central Committee M.S. Gorbachev and President R. Reagan of the United States its annual prize for "outstanding achievement in promoting peace."

27—The American magazine TIME chose M.S. Gorbachev as its "Man of the Year." By tradition, TIME's "Man of the Year" is the person who has had the greatest influence on world events in the last 12 months.

27—A statement by the USSR Ministry of Foreign Affairs was published in connection with the commencement of the production of a new generation of chemical weapons, binary weapons, on 16 December in the United States. The statement said that "the Soviet Union condemns this U.S. action and feels that it will create a new situation with regard to chemical weapons, which could require an appropriate response."

29—At a briefing for Soviet and foreign journalists in Moscow, AUCCTU Secretary G.I. Yanayev said that the U.S. State Department has been discriminating against representatives of the Soviet laboring public and trade unions in its visa policy for the last 30 years.

31—The text of the joint Soviet-American statement on the summit meeting in Washington between General Secretary of the CPSU Central Committee M.S. Gorbachev and President Reagan of the United States on 7-10 December was distributed in the United Nations as an official document of the General Assembly.

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8588

**Articles Not Translated from SSHA:
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18030007i Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 3, Mar 88 (signed to press 17 Feb 88) pp 1-2

Income and Consumption. The Status of Low-Income Families (A.S. Zaychenko) pp 14-24

Sociopolitical Portrait of Canadian Women (Ye.V. Israelyan and O.A. Shapyrina) pp 25-32

P. Peterson on Reaganomics (V.S. Vasilyev) . pp 63-68

America's Health in the Balance (Conclusion) (Howard H. Hiatt) pp 69-79

"Check Your Health" Test pp 79-80

Superconductivity: Revolutionary Breakthrough in Technology (T.T. Belyayeva and Yu.Ye. Piuchukov) pp 81-90

Review of books "How Real Is the Federal Deficit?" by R. Eisner and "Economic Choices 1987" by H. Aaron, H. Galper, J. Pechman et al (A.I. Deykin) pp 97-100

Review of book "The Jesse Jackson Phenomenon. The Crisis of Purpose in Afro-American Politics" by Adolph L. Reed, Jr. (A.N. Darchiyev) ... pp 100-101

Review of book "Making Europe Unconquerable: The Potential of Civilian-Based Deterrence and Defense" by G. Sharp (A.A. Kalinin) pp 102-104

Review of book "Canadian Government and Economy," edited by L.A. Bagramov (A.I. Shapiro) pp 104-107

Review of book "Women, Race, and Class" by Angela Davis (A.V. Lavrukhin) pp 107-108

Report on book "Black Americans in U.S. History" (R.Ye. Kantor) p 108

Michigan (V.N. Orlov) pp 109-117

8588

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